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**Additional City of Cleveland programs that can help your business include:**

*Vacant Property Initiative Loan Fund*

*Technology Business Grant Program*

*Neighborhood Retail Assistance Program*

*Citywide Business Grant Program*

*Green Technology Business Grant Program*

*Working Capital Loan Program*

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**Cleveland+**  
Akron+ Canton+ Youngstown



City of Cleveland  
Department of Economic Development  
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Cleveland, Ohio 44114

# ECONOMIC DEVELOPMENT LOAN PROGRAM



**Low Interest Capital Asset  
Financing for Your Business**



**CITY OF CLEVELAND**  
Mayor Frank G. Jackson

## Business Requirements

- Business must show invoices and proof of payment for all project costs. The City's disbursement is based on a percentage of final total project costs.
- Business is required to create one new, full time, permanent job for every \$35,000 loaned within three years of loan closing.
- Business must provide a minimum of 10% equity. The business owner or majority stockholder may be required to provide a personal guarantee for the loan amount.
- Business is required to post all job openings during the three year period on the SCOTI job posting system.
- Business must demonstrate adequate collateral, credit and capacity to repay the loan.
- Business must be current on all income and property taxes at time of application and be up to date with Workers Compensation.
- \$150 nonrefundable application fee is due with application. A loan origination fee of .5% is due after approval and a loan closing fee of 1.5% of City loan amount must be paid at closing.
- Eligible Applicants are For-profit corporations who are creating new jobs.

## Business Financing



- This program offers long term, fixed-rate financing at an interest rate of 4%. This provides a lower debt service on overall financing and decreases cash flow burden.
- Loans can be approved from a minimum of \$35,000 to a maximum of \$500,000. Loans can not exceed 40% of total project cost. Loan terms are typically 5-7 years on equipment, and up to 15 years on land and building.
- Loans may be used with other private and public funds. The City will take a subordinated collateral position to a private lender, provided there is adequate collateral.

## Program Requirements

- When loan funds are used for construction, prevailing wage rates must be paid. Construction projects where total project costs are \$100,000 or more, must comply with City MBE/FBE/SBE 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 a minimum of \$10.00 per hour per employee.

### Eligible Activities

- Property acquisition
- Equipment Purchase
- New Construction
- Related soft costs

### Ineligible Activities

- Working capital
- Refinance debt
- Inventory
- Speculative projects