

As a political subdivision, the Toledo–Lucas County Port Authority is permitted to provide funds for purposes that create or preserve jobs and employment opportunities or improve the economic welfare of citizens. Such purposes include the acquisition, construction, enlargement, improvement or equipping of property, structures, equipment and facilities.

The purpose of the Community Economic Development Initiative program is to assist community-based organizations create new or revitalize existing commercial structures that will attract or retain businesses in Lucas County to facilitate new employment opportunities.

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## **TYPES OF FUNDING ASSISTANCE AVAILABLE**

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- 1. Loans for Real Estate Development (“Bricks and Mortar Projects”)**
  - ◆ The program can provide funding for the acquisition, construction, furnishing and equipping of real or personal property, provided that:
    - the project is related to, useful for, or in furtherance of transportation, economic development, housing, recreation, education, governmental operations, culture, or research; and
    - the project will create or preserve jobs and employment opportunities or improve the economic welfare of the people of the state
  - ◆ Funding available: up to \$150,000 per project, less any grant proceeds awarded for project
  
- 2. Grants –** the program can provide grant funding for the following purposes:
  - ◆ Community-Wide Collaboration Projects
    - Funding available: up to \$50,000 per project
    - Port Authority funding provides no more than 25% of the total project budget
    - These projects are economic development initiatives in collaboration with community partners which provide a broad-based community benefit and are consistent with Port Authority strategic objectives.
  
  - ◆ Neighborhood Base Projects
    - Funding available: up to \$20,000 per project, or up to \$25,000 with at least a \$5,000 matching grant from another entity
    - These grants could be used to fund the following:
      - Bricks and Mortar Projects
        - See *Loans for Real Estate Development*, listed above
        - Can also be used for eligible pre-development costs
      - Machinery and Equipment

- Purchase of machinery and equipment related to, useful for, or in furtherance of transportation, economic development, housing, recreation, education, governmental operations, culture, or research
- Feasibility Studies
  - To pay costs associated with feasibility studies, provided that:
    - a. the project is related to, useful for, or in furtherance of transportation, economic development, housing, recreation, education, governmental operations, culture, or research; and
    - b. the project will create or preserve jobs and employment opportunities or improve the economic welfare of the people of the state
  - Feasibility studies that are not related to a bricks and mortar project will be funded as a collaborative project.
- Collaborative Projects
  - “Non-bricks and mortar” projects, provided that:
    - ◆ the project is related to, useful for, or in furtherance of transportation, economic development, housing, recreation, education, governmental operations, culture, or research; and
    - ◆ the project will create or preserve jobs and employment opportunities or improve the economic welfare of the people of the state
  - Collaborative projects will be funded in partnership with other government entities from a pool of funds.
  - Collaborative projects must be approved by both the Toledo-Lucas County Port Authority Board of Directors and the government entities as appropriate.
- Port Authority-Initiated or Partnered Projects
  - May be given grant funding consideration at the discretion of the Board of Directors

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**INITIAL PROPOSALS SHOULD INCLUDE THE FOLLOWING:**

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**All projects:**

1. A statement of the applicant’s capacity to develop this project and any assistance that the applicant requests from the City / County, LISC or any other third parties.
2. An identification of the sources and uses of funds for the project, including Toledo / Lucas County Port Authority. The extent, if any, to which the applicant has obtained commitments for these funds should

- be noted and evidenced by letters of commitment from lenders, investors and / or partners. The extent to which the project leverages other funds will be a factor in evaluating Initial Proposals; however, priority will be given to business real estate development projects based on the number of jobs created, reuse of vacant land or building, brownfield and mixed-use projects.
3. A brief statement of the extent to which the project is coordinated with other place-based community revitalization efforts in the immediate neighborhood. This statement should identify any third-party community development projects upon which this project is dependent (e.g. construction of a school or transit facility at a particular location).
  4. Project development timeline.
  5. As applicable, all items requested on the attached checklist.

**Real Estate Development (Bricks and Mortar) Projects (Loans and Grants):**

1. Identification of the real estate parcels to be developed, a statement of the current ownership/control of the parcels, and a statement as to whether any zoning changes or variances will be required. If the Initial Proposal includes scattered site development, the parcels under the developer's ownership or control should be identified separately from prospective sites that are not under the developer's ownership or control.
2. A description of the business real estate development project, including identification of units and their intended uses. It should include a statement of the total number of housing, commercial, or industrial units to be constructed or rehabilitated and the approximate aggregate square footage allocated to those various uses (Note: housing will only be considered if it is part of a mixed-use project with significant commercial or industrial components within the same building.)
3. A preliminary site plan showing the locations of commercial and public / greenspace uses. The site plan should also set forth basic lot lines or state in general the dimensions of various lots.

**Collaborative (non-Bricks and Mortar) Projects:**

1. A description of the project, including project beneficiaries, responsible project entities, project purpose, projected outcome, project timeline, total projected project cost.

## Feasibility Studies

1. A description of the study, including project beneficiaries, project purpose, study objectives, ability to proceed with project consistent with study recommendations, ability to finance project consistent with study recommendations and outcomes.
2. Certification that the applicant will provide to the Toledo-Lucas County Port Authority a copy of the full report upon its completion.

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## GUIDELINES AND CRITERIA

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### 1. All projects

- ◆ Recipients must be 501 (c) (3) organizations in good standing and must demonstrate the capacity to manage funds and (as applicable) develop real estate. Applications from partnerships between entities will be considered if the non-profit applicant is at least a 51% owner in the project and play the leading role in the development process.
- ◆ The Applicants must operate within Lucas County. Priority will be given to projects in areas of economic distress, for example: community reinvestment areas (CRA), enterprise zone, and/or areas eligible for HUD Slum & Blight designation or other documented evidence of economic distress.
- ◆ Port Authority initiated or partnered projects may be given grant funding consideration at the discretion of the Board of Directors.
- ◆ Projects must meet fund draw down benchmarks within twelve months. Funds not drawn down are subject to review and recapture.
  - Recaptured funds will be returned to the program and will be available to other projects meeting the CEDI criteria.
- ◆ Funds will be awarded on a competitive basis utilizing the priorities set by the Toledo-Lucas County Port Authority. If projects are equal in their ability to move forward and capacity to undertake the project, organizations that have not previously received CEDI funding in the past will be given priority.
- ◆ Funds will be committed to support projects undertaken by eligible organizations, subject to underwriting and approval.
- ◆ **Project location**—Within Lucas County, the Port Authority funds will be primarily focused in areas/neighborhoods with a predominance of low and moderate income households, a predominance of slum and blight conditions, and/or suffering from disinvestment (as evidenced by vacant structures, abandoned homes, and other deterioration). Projects that support a comprehensive economic development effort will be given priority. Port funds should not support the relocation of a business from one political subdivision in Lucas County to another.

- ◆ A single project can receive no more than \$150,000 from Port levy funds. This is a competitive process and awards will be made based on the funds currently available at the time of the application. No forward commitment of possible future funds will be made.
- ◆ Following the final disbursement of grant funds for any project, entities will be required to submit a report documenting the expenditure of those funds and detailing the success of the project objectives.

## 2. Real Estate Development (Bricks and Mortar) Projects

- ◆ Organizations with proven capacity may be permitted to have one project in pre-development and one in construction simultaneously.
- ◆ *Pre-development* commitments would be in the form of *grants*. Additional *Construction Development* funding will be a loan and secured with a mortgage on the property. Loans will be for a period of up to fifteen years. Eligible non-profit entities will repay approved loans at a minimum interest rate of three (3) percent. Projects that include for-profit developers will pay an interest rate of three (3) percent over the Prime Rate as established at the approval of the loan. Payments will be due quarterly and begin twelve months after the loan is awarded.
  - *Pre-development* costs cannot exceed \$35,000 and does not require matching dollars.
  - *Development* costs can total \$150,000 if no grant funding was awarded; however, in order to qualify for hard construction funds, the project must be able to prove that all pre-development activities have been successfully completed. The development funds may only be used for hard construction costs (brick and mortar).
- ◆ Leveraging on *development* money shall be \$3.00 of other money to every dollar of CEDI funds being requested
- ◆ Aggregate outstanding loan amount to any one qualified 501(c)(3) non-profit shall not exceed \$900,000.
- ◆ **Risk**—*Pre-development* funds will be invested to provide non-recourse, no cost *pre-development grants*. Funds committed to *development* costs must fill gaps identified through underwriting, review of the pro forma, and satisfy the investment committee of the justification. The *development* funds may only be used for hard construction costs.
  - The Toledo Lucas County Port Authority will document its loan to projects through a mortgage and lien. The loan will be subject to repayment through a fifteen year term or earlier upon the sale of the property or any change in the ownership structure. TLCPA will subordinate its interest in the project to other lending institutions – but not the project developers

- All investment commitments will result from an underwriting review and a deliberative process. Underwriting review of future investment proposals will consider prior performance.
  - ◆ Focused on business real estate development rather than property management, the emphasis will be on:
    - a) Brownfields
    - b) Commercial Corridors
    - c) Vacant Commercial/Industrial Buildings and Sites
  - ◆ **Use of Proceeds**
    - Funds may be used to support reasonable *pre-development* costs including staff and appropriate costs of the 501 (c) (3) as well as “out of pocket” expenses for such items as appraisals, environmental evaluations, architectural and engineering work and other acceptable *pre-development* expenses, subject to underwriting and approval. Funds may be provided for hard construction *development* (bricks and mortar) costs subject to underwriting, pro forma review, satisfaction of leveraging requirements and proof that all pre-development activities have been successfully completed.
    - Non-eligible expenses include: developer fees, consultants for grant writing, utilities, rent, taxes, administration costs, or maintenance during the pre-development phase.
- 3. The CEDI program is funded by the Toledo-Lucas County Port Authority levy. Priorities for uses and structure of successive annual allocations from the levy will be reviewed annually

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## SUBMISSION REQUIREMENTS

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Please submit the original application for Community Economic Development Initiative funds to:

Jennifer Campbell  
Toledo-Lucas County Port Authority  
One Maritime Plaza 7<sup>th</sup> Floor  
Toledo, Ohio 43604

The application should include the completed Project Summary, Sources and Uses Statement, Checklist with the supporting documentation, and written narrative describing the project details.

Please allow 90 days for review and consideration after submission of your completed application.

Additional questions? Please contact Jennifer Campbell at 419-214-4197, or by email at [jcampbell@toledoport.org](mailto:jcampbell@toledoport.org).

### Definitions of funding:

- Committed – The funds have been approved in writing with “no” or “few” conditions. Include with request.
- Requested - The funds have been requested through a formal written process and a copy of the request included in the application,
- Identified - The source of the funds has been identified with some realistic expectation it will be available (i.e. City of Toledo Neighborhood Façade Improvement program.) Please identify the name of the funding provider and program.



**APPLICATION**

**PROJECT SUMMARY**

<b>Name of Organization:</b>	
<b>Address:</b>	
<b>Telephone No.:</b>	
<b>Contact Person:</b>	
<b>Email:</b>	
<b>Organization's Service Area:</b>	
<b>Funding Request:</b>	
<b>Project Location and Census Tract:</b>	
<b>Project Description: Include project address, size and type of project, number of jobs to be created, etc.</b>	
<b>How will the project benefit the community and / or meet Smart Growth / Urban Standards:</b>	
<b>Anticipated Completion Date</b>	
<b>Potential Project Partners, if any</b>	
<b>Appraised value on completion:</b>	
<b>List previous projects funded by this program with dollar amounts received. Describe outcome of those previous projects.</b>	
<b>Date Submitted:</b>	
<b>Other pertinent information:</b>  <b>Additional pages may be added as necessary on all questions</b>	

## SOURCES AND USES OF FUNDS

*(Include any existing funding expenditures already in the project and their sources to help in leveraging computations.)*

### TOTAL PROJECT COST

	Total	Per unit/per sq.ft.
Acquisition \$		
Hard cost		
Construction Contingency (%)		
Developer Fees and contingency (usual and customary) not allowed on grants.		
Soft Cost		
<b>Total</b>		

### DEVELOPMENT BUDGET

#### Definitions of Funding:

- **Committed** - The funds have been approved in writing with “no” or “few” conditions. Attach documentation with Application.
- **Requested** - The funds have been requested through a formal written process. Attach documentation with Application,
- **Identified** - The source of the funds has been identified with some realistic expectation it will be available (i.e. City of Toledo Neighborhood Façade Improvement program.) Identify the name of the funding provider and program.

SOURCES	AMOUNT	COMMITTED	REQUESTED	IDENTIFIED
Toledo-Lucas County Port Authority				
Public Funds				
Lender				
Lender				
Other				
Other				
<b>Total</b>				

<b>USES</b>				
Options				
Architect				
Legal				
Other				
Other				
Other				
<b>Total</b>				

**USES OF TOLEDO-LUCAS COUNTY PORT AUTHORITY FUNDS**  
*(Include with Application)*

<b>USES</b>	<b>AMOUNT</b>	<b>DESCRIPTION</b>
<b>Options</b>		
<b>Architect</b>		
<b>Legal</b>		
<b>Survey</b>		
<b>Environmental</b>		
<b>Hard Construction</b>		
<b>Other (Describe)</b>		
<b>Other (Describe)</b>		
<b>Total</b>		

# CHECKLIST

*(Include with Application)*

**Documentation:**

**Included:**

Annual Operating Budget	
Articles of Incorporation	
ByLaws of Organization	
IRS Determination Letter	
State of Ohio Good Standing Letter (within 12 months of application)	
Corporate Resolution approving request for funds and amount	
Most recent Audit	
Most recent monthly financial statement	
List of Board of Director's names, addresses and telephone numbers	
Resumes of all development team members	
Most recent 990 Form	
National Trust for Historic Preservation inclusion as district or property (if applicable.)	
National Trust for Historic Preservation submission of Parts I & II for Historic Tax Credits (if applicable.)	
Lender Commitment (development)	
Other sources commitment of funds (if applicable)	
Partnership Agreement (if more than one owner)	
Site Plan	
Parcel ownership	
Pro Formas (included in application)	
Percentage of Minority Contractors Participation	
Written Narrative	