Cuyahoga County Department of Development
2018 Overview
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Welcome to the Cuyahoga County Department of Development 2018 Overview

When we laid out our vision that this County is a vibrant and prosperous region where everybody thrives, we knew that the Department of Development would play a crucial role in making this vision a reality.

The Department manages everything from connecting our Health and Human Service clients to businesses with open positions, to financing for large and small businesses, to helping residents with home repairs, to large-scale development projects that make our County an exciting and livable place.

The teams work on a broad and critical set of strategic priorities – working every day to help make our region attractive to businesses and to provide opportunities for our residents. I am proud of the work they have accomplished.

Read on and you will see why!

Sincerely,

ARMOND BUDISH
County Executive
Dear Community Stakeholder:

On behalf of the Cuyahoga County Department of Development, I am pleased to provide our 2018 Annual Report.

This report reflects the significant progress the Department has made in addressing key priorities of County Executive Budish with our partners.

The report highlights notable accomplishments in all areas of the Department of Development in 2018, including:

• Revising the 5-year Economic Development Plan, emphasizing innovation and focusing on equity and inclusion, with goals established within these three strategic priorities.

• Consolidating and streamlining our Economic Development lending programs.

• Creation of the Business Intelligence and Performance Management Office, which now tracks and provides analytic insights of the department’s investments and activities across the county.

• The County Council endorsement of the Department’s Housing Plan. Operating and implementing this Plan is a key focus of 2019.

• Arrival of the Silicon Valley-based tech accelerator, Plug-N-Play at the Global Health Innovation Center.

• Progress in advancing the vision of Aerozone Alliance, a job and innovation hub that has the NASA Glenn Research Center as its nucleus.
• Investment to support the successful Blockland Conference, which promoted the County as a digital innovation leader in developing commercial and social applications for Blockchain technology.

• $1M investment in a County Workforce Connect Sector Partnership strategy.

I’d like to convey my special thanks and appreciation to the members of the Economic Development Committee and to Council Staff for their leadership in getting projects considered and approved. Each member’s engagement has been outstanding, making our agreements stronger.

I hope that you enjoy our 2018 report, and will partner with us as we continue our work to make Cuyahoga County Ohio’s premier destination to live, work, play and establish and grow a business.

TED CARTER
Chief Economic Development & Business Officer
TEAMS

Economic Development
Michael May, Economic Development Administrator
Janise Bayne, Senior Development Finance Analyst—Brownfield Programs Lead
Bob Flauto, Senior Development Finance Analyst
Anthony Stella, Senior Development Finance Analyst
Mike Towarnicky, Senior Development Finance Analyst

Community & Housing Development
Kenneth Surratt, Deputy Director, Housing & Community Development
Sara Parks Jackson, Community & Housing Development Administrator
Jeffery Zorc, Inspection & Permit Supervisor
Robert (Bob) Given, Building Rehabilitation Specialist
Neil Ammons, Sr. Building Rehabilitation Specialist
Ron Angello, Sr. Building Rehabilitation Specialist
Katherine (Kiki) Compau, Development Housing Specialist
Katherine (Kate) Feighan, Development Housing Specialist
Shemeka Green, Administrative Assistant
Angela Henderson, Development Housing Specialist
Prentis Jackson, Jr., Development Housing Specialist
Michele Mencin, Development Housing Specialist

Economic Development Loan Portfolio Management
Bryan Edwards, Loan Portfolio Manager
Sona Lahoti, Assistant Loan Portfolio Manager

Workforce Innovation
David Feinerman, Head of Workforce Innovation
Pete Bednar, Talent Advisor
Bill Bolton, Talent Advisor
Doug Cantlay, Workforce Analyst
Kevin Cavanaugh, Workforce Analyst
Nicole Diehl, Workforce Analyst
Sara Hagan, Workforce Operations Supervisor
Kathi Resnick, Talent Advisor
Andrea Turi, Human Capital Business Partner
Nicole Williams, Workforce Analyst

Business Services
Kassan Bahdur, Business Services Manager
Nikesha Bell, Account Clerk
Dana Carter, Accountant 2
Valicia Crawford, Fiscal Officer 3
Lottie Franklin, Fiscal Officer 2
Nabila Israel, Accountant 1

Business Intelligence
Paul Herdeg, Director of Strategic Planning & Analytics
Ciprian Florea, Fellow

Administrators
Theodore N. Carter, Chief Economic Development & Business Officer
Greg Huth, Deputy Chief
Sylvia Davis, Executive Assistant
PARTNER ENGAGEMENT

Cuyahoga County designs and executes its Economic Development strategy through strong partnership and collaboration with many organizations. The following partial list is a reflection of our partnerships and illustrates the range of our engagement:

BioEnterprise
Capital Access Fund
Case Western Reserve University
CHN Partners (formerly the Cleveland Housing Network)
Cleveland / Cuyahoga County Port Authority
Cleveland Neighborhood Progress
Cleveland State University
Cuyahoga Community College
Cuyahoga County Land Reutilization Corporation (County Land Bank)
Cuyahoga County Mayors and Managers Association
Cuyahoga County Public Libraries
Destination Cleveland
Digital C
Economic and Community Development Institute
Economic Development Commission
First Suburbs Consortium
Global Cleveland
Greater Cleveland Partnership
Greater Cleveland Regional Transit Authority
Growth Opportunity Fund
Growth Opportunity Partners
Jobs Ohio
JumpStart
MAGNET
National Development Council
Northeast Ohio Areawide Coordinating Agency
Ohio Means Jobs
Team NEO
The Aerozone Alliance
The Cleveland Foundation
The Commission on Economic Inclusion
The Fund for our Economic Future
The George Gund Foundation
The RITE Board
The Urban League of Greater Cleveland
United States Department of Housing and Urban Development
United States Small Business Administration
Workforce Funders Group
59 Cuyahoga County Cities, Villages, and Townships
WORKFORCE CONNECT

Workforce has become the principal focus of the Department of Development’s mission, grounded in the County Executive’s strategic focus on improving the County’s workforce ecosystem to accelerate economic growth and inclusion. In 2018, the Department of Development delivered regional leadership in 3 key areas:

Workforce Connect

The sector partnership initiative in Cuyahoga County, branded as Workforce Connect, is structured to create a well-coordinated, well-functioning, workforce ecosystem that closes the talent supply/demand gap. The County co-created a public-private partnership with leaders of primary funders of workforce services in Cuyahoga County.

The partnership collectively invested $2.5MM as startup capital to develop sector partnerships in the region’s three largest industries – Manufacturing, Healthcare and Information Technology. Sector Partnerships are business-led initiatives that have demonstrated significant national success in helping to build greater alignment between employers and the public workforce system. Cuyahoga County invested 40% of the $2.5MM pooled fund, or $1MM, to support the 2019-2021 start-up phase.

The partnership is supported by the Cuyahoga County Workforce Funders Group, which includes The City of Cleveland, The Cleveland Foundation, Cuyahoga County, The Deaconess Foundation, The Fund for Our Economic Future, The Greater Cleveland Partnership, The George Gund Foundation, The Cleveland/Cuyahoga County Workforce Development Board, Team NEO and United Way of Greater Cleveland.

Regional Collaboration

Increased regional collaboration was a notable outcome in 2018, including significant cross-functional partnerships with other large governmental agencies including The Cleveland/Cuyahoga County Workforce Development Board, The Cuyahoga County Public Library, and Cuyahoga Job and Family Services. The County’s Department of Development Office also helped direct the allocation of a new infusion of $3M in federal dollars into the County.

Talent Advisory Services

SkillUp, The County’s innovative talent development advisory service launched in February 2017 helps employers invest in worker training by creating customized roadmaps and training plans, providing financial incentives and delivering success coaching. SkillUp’s efforts help employers coordinate and integrate service delivery with regional providers of education and training, human services, and economic development.
SkillUp, has assessed and advised 233 businesses for free since 2017

315 residents benefitted from SkillUp consult actions
Growth

Since 2017, 233 businesses have received free advisory services through SkillUp, better equipping them with knowledge and strategies to identify and overcome barriers to growth and profitability. Proactive outreach to more than 2600 businesses drove these numbers, as the County continues to build trusting relationships with business leaders and help them grow.

Opportunity

The 233 businesses have collectively provided 315 residents with free training opportunities to work towards earning a credential, wage increases, and related work experience. These businesses have demonstrated a commitment to strategically invest in their workforce to grow their business by measuring return-on-investment in increased productivity, revenue, and profitability or other direct financial measure.

At the end of 2018, SkillUp launched a new talent brokerage service in response to employers who need additional assistance and resources to coordinate recruitment activities with the many human services providers in Cuyahoga County. This brokerage function is anticipated to be a key area of focus for the SkillUp team and will be especially crucial in supporting the success of Workforce Connect.

In a relatively short period of time, the SkillUp team successfully brokered talent from multiple local Human Service organizations to satisfy the immediate recruiting needs of one local automotive business. Without the intervention of SkillUp, this business would not have had access to the skilled and diverse talent supply of workers they hired and trained. Similarly, residents participating in human services programs may not have otherwise received an opportunity to be hired by an employer who will pay them a wage and fully pay for their training in automotive technology.

This new and promising service highlights the power of connecting businesses directly into micro labor markets, where marginalized residents are often left on the sidelines.
Case Study

Case Study: Automotive Retail Business

Problem(s) Identified: Talent Supply & Skills Gap

Problem Details: This automotive retail and service company recently developed and implemented a revolutionary technical service process which helped grow their business and increased competitiveness. To maintain growth, the company needed to reduce costs by finding lower-skill, lower-wage workers they could train on the new process for their middle-skill, middle-wage, certified technician positions.

Solution

First, SkillUp worked with the business to develop a training plan that the company would use to train residents to become certified automotive technicians. The SkillUp team then worked with local human services organizations, including the organization responsible for operating the Cuyahoga County Human Services Young Adult Internship Program, to provide the automotive company with a large pool of qualified candidates the company could hire and train. Once hired, SkillUp delivers coaching services to trainees and company leadership. As an added benefit, SkillUp provides financial incentives to the company to help offset training-related expenses.

Results

SkillUp removed the barriers to business growth for this company and connected a local business to an untapped supply of qualified skilled talent. Residents seeking new opportunities were provided a clear career pathway, free training and wage increases during and after training.

Workforce Innovation is sensitive to the needs of residents and businesses and provides advisory services to employers to drive the availability of great employer practices within businesses of all sizes. Mature talent practices have been shown to correlate with enhanced business performance, including those related to reducing hiring and selection bias and increasing diversity and inclusion.
ECONOMIC DEVELOPMENT

Business attraction, retention and creation through financial support is the goal of the Economic Development division. During 2018, the Economic Development division contributed to hundreds of jobs being created or retained, whether by providing direct financial support or through the support of local partners, who in turn provide financing to small businesses and entrepreneurs.

Growth

Economic Development is gap-financing programs that support business growth and real-estate development projects. These projects catalyze the creation of well-paying jobs and leverage outside capital investment. In 2018, Economic Development used the County’s Job Creation Fund to lend over $14.8 million in strategic, low-cost loans. The loans were dispersed to five projects critical to the progress of Cleveland, Independence, and Parma Heights. Through these projects, over 224 jobs were created or retained with over $250 million in additional private and public investment generated as a result of the County’s loans.

One major focus of Economic Development’s activity in 2018 was its assistance to place-making and community-development-oriented projects in the County’s core urban areas. The County made a Job Creation loan of $2 million to the Church and State Development Project in the Hingetown area of Cleveland’s Near West Side. This Project consisted of a combination of 160 residential units, ground-floor retail space, parking and creative public spaces. This loan and Project represent the type of mixed-use/place-based economic effort that is neighborhood-based; dense in form; pedestrian and transit-oriented and local in regard to new businesses. Church and State is projected to support the creation of 40 full-time jobs for businesses providing services to the neighborhood.

Economic Development also financed 29 Brownfield assessment and clean-up projects in 2018. Through the Community Assessment Initiative program, Economic Development funded and completed 25 Phase I and Phase II environmental assessments, totaling $333,885 on sites throughout Cuyahoga County. Also, in 2018, the Department of Development, through its USEPA Brownfield Revolving Loan Fund, completed four site remediation/clean-up projects, investing over $795,300.

A new Loan Portfolio Management Team was created in 2018 to improve the stewardship & management of the Department’s economic development loan portfolio, resulting in consistent borrower invoicing; enhanced borrower engagement; more accurate recording of loan disbursements and implementation of updated loan policy and procedures manuals. A list of the 196 active Economic Development loans was posted on the Department’s website for the first time in January, 2018.
Gap-Financing Program Results

Job Creation Fund $14.8M in loans

$250M additional private/public investment

Permanent jobs 224
Construction jobs 1137
Opportunity

Economic Development continues to work with its various business-lending partnerships to provide capital and technical support to start-ups, micro-enterprises, high-growth technology companies and small- and mid-sized businesses throughout Cuyahoga County’s 59 communities. In addition to the Grow Cuyahoga County Fund (in partnership with the National Development Council (NDC) & Grow America); the Accelerated Growth program (in partnership with Growth Opportunity Partners); and the SBA Municipal-County initiative, the County also supported micro-enterprise lending through the Economic and Community Development Initiative, and pre-seed lending for innovation ventures and early-stage development through Jumpstart.

These programs, utilizing seed capital from the County, matched by capital from our partners, have loaned a combined $6,163,710 to 67 small businesses in 2018, which supported the creation and retention of 333 jobs.

This year, Economic Development expanded its innovative and successful SBA-Municipal-County Small Business Initiative Performance Equity Grants Program to a total of six cities. In addition to Cleveland and Shaker Heights, the Program’s “Pilot #2” extended a combined $600,000 in County funding to program newcomers Fairview Park, Maple Heights, Cleveland Heights and Lakewood.

The County matches a participating municipality’s economic development grant dollars with County funding. These funds help small-businesses gain access to critical performance-grant capital so that they might qualify for SBA-guaranteed private bank loans. Seven of these small-business performance grants were made in 2018.
$6,163,710
Amount Loaned to Businesses

$2,052,533
Amount of County Funds

67
Businesses Funded

49%
Minority Owned

55%
Women Owned

182
Jobs Created

333
Jobs Retained
Inclusion

All the previously-described programs and partnerships have placed high priority on funding and assistance to minority and female-owned businesses/ventures in Cuyahoga County. The following two programs have been particularly successful facilitating inclusion for these business groups:
Capital Access Fund Loan (CAF) Program

Debuting in 2017, the Capital Access Fund (CAF) of Greater Cleveland is an $8 million programmatic initiative that provides African-Americans and other Greater Cleveland minority-business owners with access to capital and pre-loan and post-loan counseling to ensure the success of the borrower.

Cuyahoga County contributed $2,050,000 to this effort, combined with over $6M from Morgan Stanley and local banks. National Development Council (NDC) is the primary administrator, providing various financial products to support CAF loans that range from $10,000 to $150,000 from the Community Impact Loan Fund (CILF), and loans from $300,000 to $700,000 from the Grow Cuyahoga Fund.

The National Urban League and the Urban League of Greater Cleveland provide technical assistance, in addition to the loans to these minority-owned enterprises. Six loans totaling over $1 million were made creating and retaining 68 jobs in 2018.

Accelerated Growth Loan Program

In seeking to encourage and support the growth of small, female and minority-owned businesses, Cuyahoga County established the Accelerated Growth Loan Program in 2016.

The Program is managed by Growth Opportunity Partners (GOP). The County loaned GOP $2,000,000 that GOP has used to leverage additional dollars in its FOCUS Fund to make small business loans.

To date, 60% of GOP’s lending has been to businesses located in low- to moderate-income communities. Five loans ranging from $200,000 - $300,000 were made, creating and retaining 71 jobs in 2018.
Growth

Based on the 2018 Countywide Property Valuation, residential property values across the county grew by 10.8% from 2015 to 2018, generating additional tax dollars in support of schools and vital services throughout Cuyahoga County. This reflected a recovery in housing values from the devastation of the 2008 recession.

In 2018, Cuyahoga County’s Demolition Program reached a milestone of funding the removal of over 1,500 blighted structures that were decreasing the value of surrounding properties. Over 215 income-eligible homeowners were able to maintain and/or add value to their homes through the County’s 4COM Home Repair and Furnace Repair Programs.

Opportunity

Investments enabled the County to create affordable housing units for low-income residents while providing residential stability. The County invested $450,000 of its Federal HOME Investment Partnership dollars to create the affordable rental housing units for low-income residents. In 2018, more applicants had the opportunity to move into additional units through funds received from added County projects.
215 Homes able to maintain / increase in value

1,500 Structures demolished

10.8% Property values increased (2015-2018)

Inclusion

Cuyahoga County’s Down Payment Assistance Program enabled many residents to become first-time homeowners through its Federal HOME Investment Partnership dollars, which provided down-payment assistance. This Program assisted many County residents who may have previously encountered difficulty buying a home, enabling them to move from renters to owners. Having permanent, secure homeowners helps to stabilize neighborhoods.
BUSINESS INTELLIGENCE

Throughout 2018, the Business Intelligence Team advanced the Department of Development’s areas of Growth, Opportunity and Inclusion through these key support functions and activities:

Growth

One of the Business Intelligence Team’s roles is to continually analyze significant County investment opportunities to show how proposed County investments will create economic impact and jobs. For example, through its analysis, the Business Intelligence Team was able to show that Cuyahoga County’s $500,000 forgivable loan for Covia Holdings, Inc., for their new headquarters, would bring 79 jobs into Cuyahoga County, generate over $57,000 annually in sales tax revenue (for both Cuyahoga County and the Regional Transit Authority) and would result in an 11.4% rate of return.

Business Intelligence convened quarterly meetings with cities, villages, and townships throughout Cuyahoga County to inform municipal economic development leaders of available funding and programmatic support to more easily attract and grow businesses.

In 2018, municipal leaders from Glenwillow, Lakewood and Warrensville Heights gathered to learn economic development best practices. They received expert-led training on calibration of municipal incentives; engaged with JobsOhio, The Fund for our Economic Future and the Greater Cleveland Port Authority; and witnessed an informative panel of commercial real-estate local-market leaders.
Covia Holdings anticipated impact

79
JOBS AT NEW HEADQUARTERS

$57,000
PER YEAR IN NEW SALES TAX REVENUE TO THE COUNTY AND RTA

11.4%
RATE OF RETURN
Opportunity

Through diligent monitoring, the job-creation performance of companies receiving economic development loans directly from Cuyahoga County’s Business Intelligence, ensured that each company lives up to its job-creation agreement, and that each company’s required data is reviewed thoroughly for compliance.

Business Intelligence led the County’s collaboration with the City of Cleveland, Greater Cleveland Partnership, First Suburbs Consortium, and the Fund For Our Economic Future to nominate key census tracts that would be designated as Opportunity Zones by Ohio Governor Kasich. Following a thorough analysis of multiple data sources, many of the census tracts nominated by Cuyahoga County were chosen to leverage tax-advantaged equity investments.

Inclusion

Under Chief Ted Carter’s leadership, Business Intelligence convened all of Cuyahoga County’s small-business-lending capital partners to discuss necessary requirements to overcome the lingering impacts of systemic racial exclusion. Through rigorous data collection and performance reporting, the County focused limited financial resources on activities that support wealth-creation and employment opportunities for disadvantaged Cuyahoga County residents.
Designated Opportunity Zones, 2018
Cuyahoga County, Ohio

**Combined Designation***
- Low-Income Community (252)
- Eligible Contiguous Tract (38)
- No Population Tracts (3)

**State Selected Tracts (Suburban)** (16)
**State Selected Tracts (Cleveland)** (48)

**Community Reinvestment Act**
- Parcel (4,779)

**Major Sites**
- Hospital
- Amazon Fulfillment Center (2)
- Intermodal Facility (2)
- Park
- College Campus
- Aerozone Project Area

*Combined Designation* from Enterprise Institute analysis.
Includes tracts that qualify based on either ACS 2011-2015 or ACS 2012-2016 data.
The Department of Development’s Fiscal Team is critical to the Department’s success. Each year, the Fiscal team formulates, monitors and reports budget information to the Program Administrators, Deputy Directors and the Chief as they identify and act on strategic priorities.

These decisions ultimately have direct impact on the growth, prosperity and diversity of County municipalities, businesses and residents. Although Fiscal does not manage any of Development’s programs directly, they ensure program funds are available and monitor the budget so the Chief and Directors have a consistent understanding of available resources.
The Fiscal Team’s on-going accounts payable functions ensure that funds are processed throughout the County by Program Administrators who implement programs to support critical priorities that include:

- Opportunities for business growth or new-business attraction.
- Municipality grants for infrastructure repair, demolition of nuisance properties or beautification projects.
- Allocation to residents to keep their home safe from lead; stay in their current home or purchase a new home.