

Toledo, OH

Mayor Carleton S. Finkbeiner



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The Façade Improvement Program The Enterprise Development Loan Program (EDL)

The City of Toledo has several outstanding programs that nurture the entrepreneurial spirit of small business owners. While these programs have been in existence since the 1980's, program guidelines were revised in 1994 under the leadership of Mayor Carleton S. Finkbeiner, to better meet the needs of Toledo's small business owners and to provide increased incentives for small business ownership. The two programs described below, The Façade Improvement Program and the Enterprise Development Loan Program (EDL), are considered best practice model programs for small businesses in The City of Toledo.

The Façade Improvement Program

The Façade Improvement Program provides incentive funding for physical enhancement and exterior improvement of buildings that are located within designated, clearly defined, older neighborhood business districts within the City of Toledo. The program is intended to improve building exteriors in slum and blighted areas of the City of Toledo and to encourage business growth and retention. Since 1994, 93 projects (an average of 13.2 projects per year) have been completed through this program and more than \$1.4 million has been awarded to small businesses through reimbursable grants. This program provides several benefits. Business and property owners benefit directly by being reimbursed for exterior façade improvements that are made to their business property, which is located in a designated business district of the City of Toledo (once application requirements are met). The business districts in which projects are located benefit as a whole, through the property enhancements that occur once projects are successfully completed. Area residents benefit by gaining a newfound sense of pride in, and desire to support their neighborhood business/shopping districts. Finally, The City of Toledo benefits, by maintaining existing partnerships with priority neighborhoods, and by strengthening relationships with targeted neighborhood business districts. Another

significant benefit to the City of Toledo is the additional tax revenue generated by property tax, personal property tax and payroll tax as the direct result of successfully completed projects through this program. The Façade Improvement Program provides a one third reimbursement grant of \$500 to \$32,500 for a business in which the owner has made an investment equal to or less than \$75,000 plus, ten percent (10%) reimbursement for investments between \$75,001 and \$149,999.

Program selection criteria for the Façade Improvement Program is as follows:

- Grant applicant must complete a Grant Application Form
- The project must be structural and exterior, and can include window treatments, signage (except free standing), murals or awnings;
- The project must be located in a neighborhood business district that is designated to participate in the Façade Improvement Program.

Two recent examples of projects that have benefited from the Façade Improvement program are The Huron Street Village and Tony Packo's Restaurant projects.

The Huron Street Village is a project in which an entire city block of historic storefront structures in The City of Toledo Warehouse District went through façade transformation. This transformation has resulted in the creation of new restaurant and entertainment businesses and the relocation of an existing restaurant to this new, desirable location. This project has greatly benefited the City of Toledo because it is one of the projects at the forefront of overall Downtown Toledo revitalization and resurgence.

The Tony Packo's Restaurant is a dining institution in the City of Toledo. Through the Façade Improvement Program the exterior of the structure was spruced up through an overall exterior façade face-lift, improved lighting and signage. This project served to spark additional façade improvements by other business owners whose businesses are also located in this particular business district.

"My administration realizes the importance of small business to our community and has developed the Façade Improvement Program and the Enterprise Development Loan Program to help local small businesses grow and prosper. These programs have been extremely successful in Toledo and can serve as models to other communities looking to help improve small businesses."

Façade Improvement Program

Program has been running 13 years

Enterprise Development Loan Program (EDL)

Program has been running 11 years

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Both of the projects listed are shining examples of historic structures and business districts that have benefited from the City of Toledo's Façade Improvement Program.

The Enterprise Development Loan (EDL) Program

The EDL Program is a program in which the City of Toledo partners with private lenders to provide credit to small businesses that have had difficulty securing reasonable financing for business expansion and growth. This program targets disadvantaged business enterprises that often lack the ability to obtain credit through conventional means. The primary goal of the program is the retention and creation of jobs for low and moderate-income residents of the City of Toledo. The program serves both for profit and non-profit entities. Since 1994, a total of 112 businesses (an average of sixteen businesses per year) have benefited from this program receiving approximately \$7.3 million in term financing at attractive rates. Priority loan consideration is given to projects located in the Enterprise Zone or Community Reinvestment Areas of the City of Toledo. The maximum EDL participation in a single project is \$100,000 and the minimum EDL participation is \$5,000 (33% of the eligible project cost is provided through EDL, while the remaining 66% must be a combination of private sector financing, non-City public funding and/or owner equity investment of at least 10%). One of the primary benefits of this program for the business owner is that it provides a fixed, below market interest rate for the life of the loan.

Program Selection Criteria for the EDL Program is as follows:

- Job Creation - Generally it is required that one job be created per \$10,000 borrowed;
- Financial Feasibility - Business owner(s) must demonstrate sufficient cash flow to cover debt service;
- Project Feasibility - The project must be realistic and based on market conditions;
- Credit Worthiness - Business owner/applicant must demonstrate credit worthiness;
- Environmental/Historic Review - If warranted, an environmental and or historic review must be conducted.

Two recent examples of projects that have benefited from the EDL program are Cousino's Navy Bistro Restaurant and Baroda Enterprises.

The EDL program provided \$100,000 for Cousino's Navy Bistro Restaurant, which

leveraged an additional \$650,000 in bank financing, created a total of 210 jobs and created new capital investment by the restaurant owner of approximately \$1.7 million. This project sparked a wide array of additional Downtown Toledo economic development (\$175 million) and has attracted the attention and interest of numerous local, regional and national developers.

The program also provided \$100,000 for Baroda Enterprises, which is a minority business. As a result, 21 jobs were created and new capital investment of \$1.4 million was realized.

These two projects are stellar examples of how the City of Toledo's EDL program is serving as a catalyst for bridging community and financial institutions of Toledo to benefit small businesses, and is supporting the entrepreneurial spirit of Toledoans.