

A project update of the Port of Greater Cincinnati Development Authority

PORT PROGRESS

Economic Inclusion

SMALL BUSINESS AND NONPROFIT PARTNERSHIPS CONTINUE TO THRIVE



A Lawn Life team works on landscaping at 3351 Woodburn Ave., including building a retaining wall and digging posts for railing (photos above and below right.) Lawn Life employs at-risk youth for landscaping and home improvements in under-resourced communities.

2014 Economic Inclusion report highlights growing nonprofit partnership with Lawn Life

This month, the Port of Greater Cincinnati Development Authority released its economic inclusion results for contracted services in 2014. Based on approximately \$8.3 million in contracts awarded and/or project cost at the end of 2014, the Port Authority spent 17 percent with minority owned businesses (MBE); 10 percent with women-owned businesses (WBE) and 30 percent with small business enterprises (SBE) . [Additional results are reported on economic development projects that have been assisted through Port Authority bond financing – [see www.cincinnatiport.org](http://www.cincinnatiport.org).]

Two percent of the work this year was awarded to nonprofit organizations. One such growing partnership is with Lawn Life, a non-profit social enterprise which gives disconnected youth

opportunity to gain skills and work experiences, while providing under-resourced communities with affordable landscaping and home repair services.

Lawn Life's mission is simple: Give at-risk youth their first, real work experience. Through professional landscaping and construction projects, the employed youth gain a sense of pride and commitment, by often working in their own neighborhoods.

Lawn Life has been passionately involved with the Port Authority's REACH (Rehab Across Cincinnati and Hamilton County) project in Evanston since February of last year. Lawn Life has been responsible for the clean-out and/or maintenance of more than 30 homes in the Evanston community with 11 of the individual youth hired by Lawn Life having come directly from the Evanston community.

Since partnering with the Landbank on these rehab properties, Lawn Life has successfully employed 43 individuals at various jobsites. Of the individuals who completed the Lawn Life program, 19 secured full-time employment within 12 months and eight secured part-time positions and four remained employed with Lawn Life into 2015.

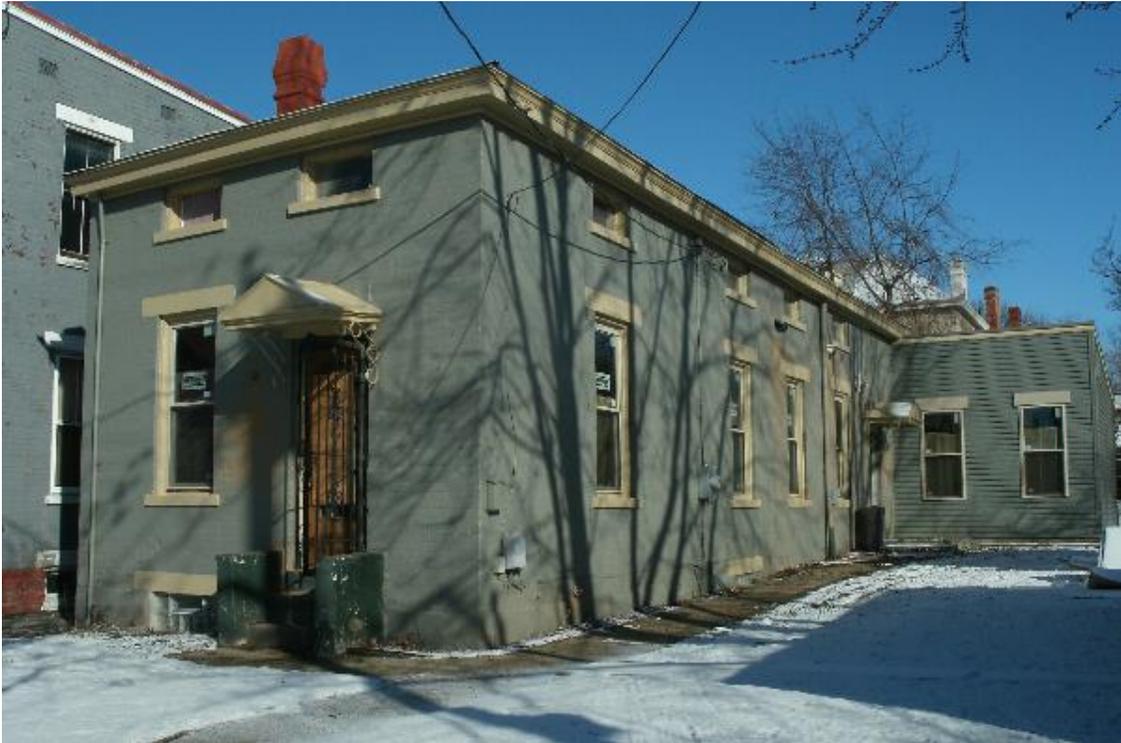
Lawn Life has successfully employed 43 individuals who have worked on various jobsites for the Landbank.



Organizationally, Lawn Life has directly impacted over 500 at-risk youth since its inception. Many additional community-level goals have also shown measurable improvements such as: reduced recidivism rates, vacant lots transformed and new leaders have emerged. Lawn Life has received recognition for their work recently a Fast Pitch Social Venture Partners award recipient, and named 2014 Youth Advocate of the Year by Southwest Ohio Region Workforce Investment Board (SWORWIB).

For an impassioned explanation of what Lawn Life is, hear founder Tim Arnold's winning Fast Pitch to Social Venture Partners. : <https://www.youtube.com/watch?v=TakislcMSew>

Community Revitalization



THE LITTLE HOUSE THAT COULD:

NORTHSIDERS ENGAGE WITH LANDBANK TO ACQUIRE HOME FOR REHAB

Over a period of 15 years, the “little brown house” as Stefanie Sunderland calls it, “bounced back and forth between ownership, occupancy, vacancy, and three foreclosures. At one point the weeds, shrubbery and trees were so overgrown it was difficult to notice a house was even there.” Sunderland, Executive Director for NEST – Northsiders Engaged in Sustainable Transformation (formerly CNCURC) was describing the house at 1726 Hanfield St. in the Cincinnati neighborhood of Northside. The group was diligent in reporting complaints on the site, year after year. Fortunately, their persistence was fruitful.

In 2013, as the Hanfield property went through the County’s tax foreclosure sale, the

Hamilton County Landbank successfully petitioned for it at the request of NEST/ CNCURC, rather than have it forfeited to the State. “As one of our established community partners, NEST/ CNCURC then acquired it from the Landbank in August 2013 and they have been hard at work rehabbing the property ever since,” said Billy Weber, associate counsel for the Port Authority.

When acquired through the Landbank, it had been stripped of copper, and suffered from years of neglect, leaks ruining the frame, the yard a jungle of weeds.

Major redevelopment work began in early 2015 which included relocating a bathroom and kitchen, a new multi-room addition to the back, while maintaining some characteristics of the 94-year old home per historic guidelines. And just as renovation was underway, the home went under contract for sale in January with a closing date set for mid-May.

NEST/ CNCURC recently hosted an open house to show the progress on 1726 Hanfield, and another nearby rehabbed home at 4118 Lakeman. Kate Bridgman, a realtor with Comey & Shepherd and a NEST/CNCURC Board member, noted that these efforts are having a positive impact on the market. “The more homes that NEST/ CNCURC can work to acquire, rehabilitate and make affordable to owner-occupants, the better it is for the neighborhood, and for current owners in Northside.”

Awards & Accolades



Cincinnati Vice Mayor David Mann presents the Neighborhood Summit award for **Collaboration of the Year** to Anzora Adkins, president of the Evanston Community Council for the **REACH Evanston Program**. The award recognizes a successful project in a community from the collaboration of neighborhood leaders and organizations with other organization inside or outside of the community.

You can find video of the [Cincinnati Neighborhood Summit sessions on CitiCable](#). /Vimeo

Development Finance

Why EB-5?

A Q&A:

Last year, the Port Authority established an EB-5 financing program for qualifying job-creating development projects. Nationally, EB-5 is a proven funding mechanism for all types of real estate. As a return for investment in the project -- it delivers green cards to qualified foreign investors each year.

“EB-5 is very productive in the Cleveland real estate market, for example, delivering capital through an established Regional Center,” according to Susan Thomas, Port Authority vice president of public finance. “We liked that model, we thought it would be a good fit in our market, so we found a partner with a similar mindset.” The Port Authority’s partner is the Cleveland International Fund (CiF), a federally designated Regional Center.

Thomas says area developers should take a strong look at EB-5 as they assemble project funding. “It may be new to Greater Cincinnati, but it’s become industry standard across the country for sizeable projects,” Thomas says. CiF has closed EB-5 deal value of \$232 million since 2010 and holds the distinction of having taken deals to successful delivery of green cards to international investors.

Q: Why did the Port Authority establish an EB-5 project financing program last year?

A: EB-5 capital can be an incredibly flexible and reliable source of project capital; it meshes well with other sources of capital, grants and subsidy; and terms can be very attractive. It expands the Port Authority’s capabilities as a development partner.

The Port Authority also likes EB-5 because it sources capital from outside of our region, increasing gap funding and lessening the need for public subsidy.

And, we like it because of what an active EB-5 program can communicate about our region – that we have a variety of innovative financing solutions for significant real estate projects.

Q: In a development project, how is EB-5 best used?

A: The Port Authority’s EB-5 program in Southwest Ohio is designed expressly to finance job-creating commercial real estate development and expansion projects. The Port Authority’s EB-5 program is optimal for projects of at least \$30 million – it takes that size project to meet the EB-5 program job creation requirements.

Many developers consider EB-5 capital as a potential source to fill a major space in the capital stack. We look to deploy EB-5 gap financing in the form of first mortgage or

mezzanine loans.

Q: How do I know if my project qualifies?

To qualify under the Port Authority's EB-5 program, your project needs to be located generally within Hamilton County or urban areas around the cities of Hamilton and Middletown, which are considered Targeted Employment Areas. Your project will include or represent some mix of office, retail, hotel, multifamily, and industrial.

Q: What does the investment process look like – is it costly, and how long does it take to get the money into my project?

A developer or owner starts by contacting the Port Authority for a project assessment. The Port Authority helps advise on capital structure and conducts due diligence, and assists with other debt or equity pieces that may be needed. All of the work with the foreign investors is handled by the Regional Center, in this case Cleveland International Fund. They reach out to qualified investors, and make sure projects can deliver a return for their capital. The EB-5 investor's principal investment will stay in the project, "at-risk" for approximately 5-7 years. His primary reason for making the investment is to secure a visa.

Because of the extended duration of the immigration process, the Port Authority offers bridge financing to ensure that the project receives EB-5 capital on the same day that other agreements close.

Q: Is EB-5 a permanent program?

EB-5, a program administered by U.S. Citizenship and Immigration Services, has been active for 25 years, but it is not permanent. The Regional Center program has attracted the majority of EB-5 capital. EB-5 legislation is pending that would modernize and reform aspects of EB-5 program, and there is bi-partisan support to make it a permanent program, in recognition of the tens of thousands of jobs that have been created since 1990 and billions of dollars that have been invested in U.S. businesses.

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