



# SHAKER HEIGHTS

## VISION FUND

### *FORGIVABLE LOAN PROGRAM*

The City of Shaker Heights offers a Vision Fund program targeted to attract established, growing businesses to move into office space in Shaker Heights. This program offers a forgivable loan to make tenant improvements and purchase equipment based on the amount of new income/payroll taxes the City will collect over a business's committed lease term.

#### **Vision Fund Goals**

- Diversify the Shaker Heights tax base
- Attract, retain and grow businesses in Shaker Heights
- Strengthen City's commercial building stock by investing in tenant improvements

#### **Target Market**

- Professionals in the target industries set forth in the City of Shaker Heights Economic Development Plan and Lee Road Action Plan, including but not limited to healthcare, IT, professional services, engineering and design (light industrial and assembly permissible)
- Home-based businesses moving into office space within Shaker Heights
- High-tech entrepreneurial stage II companies
- Amenities in core commercial districts if part of an office or mixed-use development

#### **Program Criteria**

- The size of the forgivable loan is based on a projected three-to-five-year payback measured in incremental income tax collected. The forgivable loan can be up to 50% of new income tax collected during the loan payback period. Alternatively, the business can commit to a longer tenure in the City to qualify for a higher percentage of income tax collected. The loan can be used for tenant improvements, equipment, and capital outlays associated with business relocation.
- Businesses must commit to keep their operations in the City of Shaker Heights for at least double the amount of time it takes to pay back the loan (e.g. payback in 3 years, requires a 6 year commitment to the City).
- New and existing business plans will be reviewed by the City's Finance Director and Economic Development Director.

#### **Application Process**

- The business submits an application and required business plan documentation for administrative review.
- The City's Finance Director and Economic Development Director review the submission.
- A staff recommendation to approve a loan of \$25,000 or less must be reviewed and approved by the Mayor. Loans above the \$25,000 threshold or that are outside of the parameters outlined above must be reviewed and approved by the City's Finance Committee and City Council.

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