



City of Cleveland
Frank G. Jackson, Mayor

Office of the Mayor
Cleveland City Hall
601 Lakeside Avenue, Room 202
Cleveland, Ohio 44114
216/664-3990 • Fax 216/420-8766
www.cleveland-oh.gov

March 2, 2018

The Honorable John Kasich
Governor
State of Ohio
77 S. High Street, 30th Floor
Columbus, OH 43215

Dear Governor Kasich,

I am writing today to submit census tracts for designation as Opportunity Zones. We have identified 70 census tracts, 47 of which are primary priority and 23 being secondary priority. They are detailed in the attached two maps.

Opportunity Zones provide an additional stimulus for redevelopment of low-income communities and the creation of jobs, wealth, and entrepreneurship. Cleveland's Neighborhood Transformation Initiative is a \$65 Million public-private investment that I created to achieve these same goals in emerging neighborhoods. Opportunity Zone designations will help leverage these dollars and encourage further investment.

In accordance with the guidance from the Federal government and from the Ohio Development Services Agency, the attached census tracts are areas that have seen both public and private investment and possess the necessary characteristics to attract additional investment. Our tracts are grouped into development areas, mixing tracts with historically strong development profiles, active emerging development areas, and significant development potential that can be stimulated by the Opportunity Zone designation. We particularly focused on "edge neighborhoods" identified in the study that I commissioned from the Cleveland State University Center for Population Dynamics to help target investments in areas that are strategically positioned for growth.

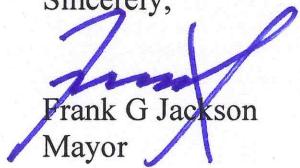
At my direction, City of Cleveland staff has identified areas of opportunity where there will be significant returns both to investors and the community. Tracts were reviewed for the presence of recent public and private investments in both residential and commercial/industrial development, infrastructure investments, anchor institutions, recreational and educational investment and amenities, job growth, and available development sites. As a result, we have identified 70 census tracts that have attractive qualities for designation.

Cleveland sits at the center of Ohio's largest economic region and contains 2 of the 4 largest employment centers in the State. At the same time, we face the challenges of poverty and disinvestment within many of our neighborhoods. Cleveland contains 168 qualified low-income census tracts, which represent 13.2% of the qualified tracts in Ohio.

My staff has discussed the proposed Opportunity Zone tracts with our regional partners at Cuyahoga County, the Fund for Our Economic Future, and the Greater Cleveland Partnership. Other stakeholders, including neighboring municipalities, business and development interests, and labor interests were engaged as well. As a result of this collaboration, I am pleased to also endorse the designation of 23 tracts located in Cuyahoga County outside the City of Cleveland that are regional priority tracts. These tracts, most of which border the City, contain regional job and investment centers. Investment in these tracts will benefit residents of the City of Cleveland through job and business creation opportunities and strengthen our regional economy.

The designation of Opportunity Zones within the City of Cleveland will have substantial benefits for Cleveland residents, our region and the state of Ohio. I have directed my staff to submit our census tracts through the ODSA protocol, along with more thorough background information on these tracts. If you have any questions regarding my support of the attached census tracts for Opportunity Zone designation, please contact my Chief of Government and International Affairs, Valarie J McCall, via email at vmccall@city.cleveland.oh.us. Thank you for your consideration.

Sincerely,



Frank G Jackson
Mayor

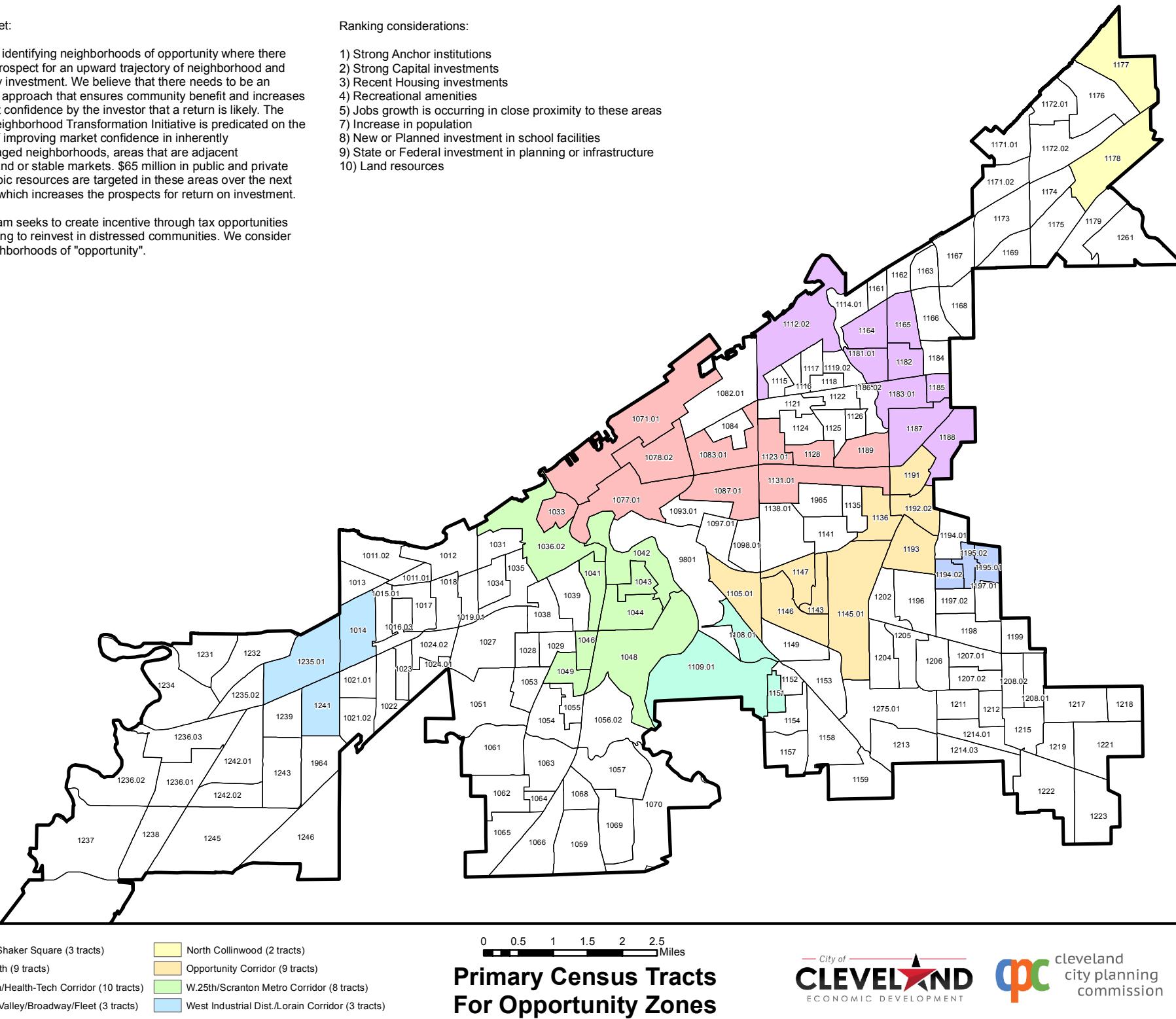
Score sheet:

The key is identifying neighborhoods of opportunity where there exist the prospect for an upward trajectory of neighborhood and community investment. We believe that there needs to be an intentional approach that ensures community benefit and increases the market confidence by the investor that a return is likely. The Mayor's Neighborhood Transformation Initiative is predicated on the premise of improving market confidence in inherently disadvantaged neighborhoods, areas that are adjacent to strong and or stable markets. \$65 million in public and private philanthropic resources are targeted in these areas over the next 0-5 years which increases the prospects for return on investment.

The program seeks to create incentive through tax opportunities while helping to reinvest in distressed communities. We consider these neighborhoods of "opportunity".

Ranking considerations:

- 1) Strong Anchor institutions
- 2) Strong Capital investments
- 3) Recent Housing investments
- 4) Recreational amenities
- 5) Jobs growth is occurring in close proximity to these areas
- 6) Increase in population
- 7) New or Planned investment in school facilities
- 8) State or Federal investment in planning or infrastructure
- 9) Land resources



Score sheet:

The key is identifying neighborhoods of opportunity where there exist the prospect for an upward trajectory of neighborhood and community investment. We believe that there needs to be an intentional approach that ensures community benefit and increases the market confidence by the investor that a return is likely. The Mayor's Neighborhood Transformation Initiative is predicated on the premise of improving market confidence in inherently disadvantaged neighborhoods, areas that are adjacent to strong and or stable markets. \$65 million in public and private philanthropic resources are targeted in these areas over the next 0-5 years which increases the prospects for return on investment.

The program seeks to create incentive through tax opportunities while helping to reinvest in distressed communities. We consider these neighborhoods of "opportunity".

Ranking considerations:

- 1) Strong Anchor institutions
- 2) Strong Capital investments
- 3) Recent Housing investments
- 4) Recreational amenities
- 5) Jobs growth is occurring in close proximity to these areas
- 6) Increase in population
- 7) New or Planned investment in school facilities
- 8) State or Federal investment in planning or infrastructure
- 9) Land resources

