

**BEACHWOOD CITY COUNCIL
ECONOMIC DEVELOPMENT COMMITTEE MEETING AGENDA
TUESDAY, MAY 11, 2021, 12:30 PM**

** Please note, this meeting will be held by video conference via Zoom and
livestreamed on the City of Beachwood [website at www.beachwoodohio.com](http://www.beachwoodohio.com) and can be
viewed on Spectrum Channel 1020 and AT&T U-Verse Channel 99.*

*This Economic Development Committee Meeting has been duly noticed and is being held in
accordance with Ohio Revised Code Section 121.22 specific to
Amendments made in light of the current
COVID-19 declared emergency.*

June E. Taylor
Alec Isaacson
James Pasch
Eric Synenberg

Agenda Items

1. Mayor's Report
2. Discussion regarding the modification of the Grant Guidelines of the Job Creation Incentive Grant Program
3. Any other matters coming before the Economic Development Committee

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AN ORDINANCE AUTHORIZING ADOPTION OF A JOB CREATION INCENTIVE GRANT PROGRAM AND DECLARING AN EMERGENCY

WHEREAS, the retention and creation of jobs and employment opportunities is integral to the continued economic health of the City of Beachwood, Ohio, and its citizens, and

WHEREAS, Article XVIII, Section 3 of the Ohio Constitution gives municipalities the authority to exercise all powers of local self-government and to adopt and enforce within their limits such local police, sanitary and other similar regulations, as are not in conflict with general laws; and

WHEREAS, Article I of the Charter of the City of Beachwood provides that the City shall have all powers that may lawfully be possessed or exercised by any city under the Constitution and laws of the State of Ohio and the Constitution and laws of the United States; and

WHEREAS, the use of governmental resources for the promotion of economic development in the community is in the public interest and is a proper exercise of municipal powers pursuant to Article VIII, Section 13 of the Ohio Constitution; and

WHEREAS, the Economic Development Director has recommended that a Job Creation Incentive Grant Program be developed to provide incentives to businesses to retain, create and expand employment opportunities within the City of Beachwood without utilizing tax revenues or impacting negatively upon the local school system; and

WHEREAS, funding for the Job Creation Incentive Grant Program shall come from the following non-tax revenue sources, ***including but not limited to the following***: interest income, permit fees, activity fees, service charges, and tax incentive application and monitoring fees.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Beachwood, County of Cuyahoga, and State of Ohio that:

Section 1: Pursuant to Article VIII, Section 13 and Article XVIII, Section 3 of the Ohio Constitution, this Council hereby authorizes the creation of a Job Creation Incentive Grant Program as described in Exhibit A, attached hereto and made a part hereof.

Section 2: Council hereby authorizes funding for the Job Creation Incentive Grant Program from the following non-tax revenue sources: interest income, permit fees, activity fees, service charges, and tax incentive application and monitoring fees.

Section 3: It is found and determined that all formal actions and deliberations of Council and its committees relating to the passage of this legislation that resulted in formal action were in meetings open to the public where required by Chapter 105 of the Codified Ordinances of the City.

Section 4: This Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare; and for the further reason that the creation of the Job Creation Incentive Grant Program is necessary to create and retain jobs in the City of Beachwood.

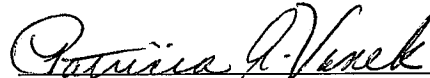
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ORDINANCE NO. 2013-10

WHEREFORE, this Ordinance shall be in full force and effect from and after the earliest date permitted by law.

Attest:

I hereby certify this legislation was duly adopted on the 4th day of February, 2013, and presented to the Mayor for approval or rejection in accordance with Article III, Section 8 of the Charter on the 5th day of February, 2013.


Clerk

Approval:

I have approved this legislation this 5th day of February, 2013, and filed it with the Clerk.

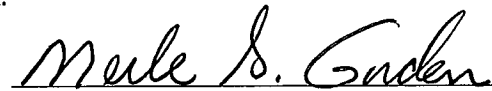

Mayor

EXHIBIT A

JOB CREATION INCENTIVE GRANT PROGRAM

The City of Beachwood will establish a Job Creation Incentive Program to offer incentives to eligible businesses that are creating new, full time or full time equivalent jobs. The City will offer an eligible company an annual grant payment based on a percentage of the annual payroll withholding taxes generated by jobs that are new to the City of Beachwood.

- The program will be structured as a grant (refund) based upon the creation of new full time or full time equivalent jobs.
- Grants will be awarded using non-tax revenues.
- Each grant must be approved by City Council and the Mayor prior to the applicant company undertaking the project.
- The program will be available to businesses considering a location or businesses considering an expansion in the City of Beachwood. Projects in Chagrin Highlands will be considered on a case-by-case basis due to the fact that the property is located in a Joint Economic Development District.
- In order to be eligible, a company locating a new business in Beachwood must create within a 3 year period a minimum of 30 full time or full time equivalent jobs new to the City of Beachwood and/or a minimum annual payroll of \$1,000,000 new to the City of Beachwood.
- A company already located in Beachwood and expanding at its current facility, or expanding at a new facility within the city, must create within a 3 year period a minimum of 30 new full time or full time equivalent jobs or a minimum annual payroll of \$1,000,000 new to the City of Beachwood, while maintaining its current employment workforce and payroll.
- Independent contractor positions are not eligible.
- Retail and food service businesses are not eligible.

Grant Guidelines:

The maximum grant will be for 5 years and 50%. All grants will be based on new payroll projections according to the following schedule:

New Payroll by end of Year 3	Length of grant	Suggested Award Rate
\$1 million to \$3 million	3 years	30%
\$3 million to \$6 million	4 years	35%
\$6 million to \$8 million	4 years	40%

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\$8 million and above

5 years

50%

- For companies already located in Beachwood, only new payroll shall be used to determine the number of years and the award percentage of the grant. The company will be required to maintain the workforce levels and payroll that are current when the grant application is filed.
- If the company is leasing space, the number of years of the grant may be limited so as not to exceed the current lease term.
- The grant agreement will be for a specific location. However, if a company has multiple locations in the City and total employment and payroll projections are met at any combination of locations in the City, the company will qualify for the grant payments.
- The date by which Year 1 job projections must be met will be specified in the agreement. If a project start or occupancy of a project facility is delayed, the company may send a written request for a one year extension to the Development Department. City Council must approve the extension.

Project Performance –grants will be awarded annually according to the schedule below:

% of Payroll Projections Met	% of Grant Awarded
90-100%	full grant/credit
85-89%	reduce grant by 5% (e.g.: 40% grant reduced to 35%)
80-84%	reduce grant by 10%
75-79%	reduce grant by 15%
Less than 75%	no grant for that year

The amount of the grant will be calculated annually based on the company's performance in meeting its payroll and employment projections for the previous year. The company must achieve at least 75% of the job creation projection for the previous year in order to receive any benefits.

For purposes of calculating the amount of the grant each year, exercised stock options will not be included in annual payroll.

Application Procedures:

Application forms will be available from the Development Department. A non-refundable application fee of \$750 in the form of a check payable to the City of Beachwood shall be submitted

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with the application.

Program Funding:

Funding for the grant program will come from non-tax generated revenues, including but not limited to, interest income, permit fees, services charges, activity fees, and tax incentive application and monitoring fees.

Claw back provision:

Each agreement will include a binding claw back provision requiring repayment of grant moneys if the company leaves the City during the term of the agreement or fails to maintain through the term of the agreement at least 75% of the new jobs for which grant moneys were received.

Annual Reporting:

- Upon the City's request and on forms provided by the City, companies must submit an annual Job Creation Grant report documenting new employment and payroll. This report will be required annually during each year that a grant is being awarded. A \$250 administrative fee shall be required with submission of each annual report.
- The annual performance reports will be reviewed by the Director of Development and the Finance Director. An annual report will be prepared by the Director of Development and presented to the Mayor and City Council.

Terminating Agreement:

- If the project does not proceed as specified in the agreement or within the one year extension period, Council may rescind the agreement upon recommendation of the Director of Development.
- If a company fails to meet 75% of its payroll or employment projections in three consecutive years at any time during the term of the agreement, City Council shall rescind the agreement and any amounts paid to the company by the City pursuant to the agreement shall be repaid.
- If a project or occupancy of a project facility begins in the 3rd or 4th quarter of the year and the company is not able to meet its Year 1 projections by December 31st of that year, Year 1 shall be considered the first full year of occupancy.

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