

**BEACHWOOD CITY COUNCIL MINUTES OF THE ECONOMIC DEVELOPMENT COMMITTEE
MEETING HELD AT BEACHWOOD CITY HALL, 25325 FAIRMOUNT BOULEVARD, ON
MONDAY, APRIL 9, 2018 AT 5:30 P.M.**

The meeting was called to order at 5:35 P.M. by Chairman Eric Synenberg.

ROLL CALL: Present: B. B. Janovitz, B. Linick, E. Synenberg, J. Taylor
Absent: None.
Also Present: Mayor M. S. Horwitz, W. Hanna, N. E. Naso, L. Heiser,
W. Griswold, J. Pasch, A. Isaacson, K. Zipay

1. Mayor's Reports.

Mayor Horwitz spoke about a meeting he had with the Beachwood Historical Society regarding a partnership with the City of Beachwood.

Mayor Horwitz also spoke about a conversation he had with Dr. Hardis. Mayor Horwitz stated that he would update Council with any new information regarding the School Levy at a future meeting.

2. Discussion regarding Economic Development Survey and the goals of the City of Beachwood Economic Development Department.

Mr. Synenberg turned the meeting over to Ms. Zipay.

Ms. Zipay presented a PowerPoint regarding Economic Development Incentives. This essay also outlined the results of a survey that was sent to Council regarding Economic Development goals for the City of Beachwood. Also attached was the point system that could be utilized in the future for Job Creation Incentive Grants and the proposed CRA.

That presentation is attached hereto for the official record.

During the presentation, Ms. Zipay discussed implementing an internship program for the City of Beachwood.

Mr. Synenberg mentioned that implementing this program would be beneficial and suggested that Tri-C might be a starting point for this program.

Ms. Zipay mentioned that during her research she spoke with several business owners and asked what services could be improved in the City of Beachwood. A few of those improvements included traffic and lack of restaurant options.

Ms. Zipay made some recommendations in regard to the improvements that were desired from business owners. Some of those improvements include improving crosswalk visibility, encouraging bicycle use, and attraction efforts that may include restaurants or café's. Other improvements suggested were to minimize the impact of traffic in Beachwood. A few suggestions included implementing a carpool or utilizing traffic cameras.

After the discussion of the survey results and incentives, Ms. Zipay moved on to discuss what the next steps would be to implement the survey results and incentives. Those steps included; confirming incentive options, confirming budgetary needs, passage of any necessary policies or ordinances, update documents, and website, and finally, implementation.

After Ms. Zipay's presentation, Mr. Synenberg asked if there were any further questions about Agenda Item #2. There were none.

3. Discussion regarding NOPEC Grant Agreement.

The next item discussed was the proposed Energized Community Grant.

Ms. Zipay stated that there was a \$48,000.00 grant awarded to the City of Beachwood by Northeast Ohio Public Energy Council ("NOPEC"). This grant should be used to improve energy efficiency or energy infrastructure projects in the community. Ms. Zipay mentioned that there is an option to escrow the grant funds or a portion of the funds for a future project. There is an option to escrow these monies two times.

Mr. Griswold stated that the City may receive this grant again next year. The grant is based on the community usage of the NOPEC program.

Ms. Zipay mentioned that she would like take the grant and divide amongst property owners in the City to make energy efficient improvements.

Mr. Isaacson asked if the grant would be given to residents or commercial property owners.

Ms. Zipay stated that her intent would be to give the smaller grants to commercial property owners.

Ms. Zipay further explained that she would like to use the funds based on a rebate scenario. The company would do the project and the City would then review and inspect the project and offer the rebate after the work has been inspected and completed.

Mr. Linick asked if the grant monies could be used by the City. Ms. Zipay stated that they could be utilized by the City for an energy improvement project.

Mayor Horwitz stated that he would rather use the monies in a residential setting such as for the weatherization of homes or set-back thermostats.

Mr. Linick suggested that Mayor Horwitz's idea for the grant money use may be better suited for a discussion with the Residential Housing Committee.

After the discussion of the NOPEC Grant, Mr. Synenberg asked if there were any further questions.

There were none.

4. Any other matters coming before the Economic Development Committee.

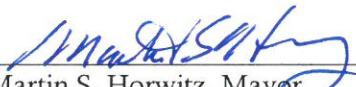
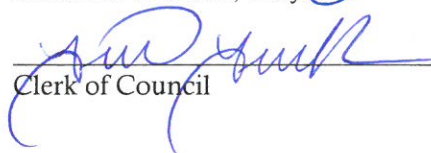
None.

ADJOURNMENT

Moved by B. Linick, seconded by J. Pasch, to adjourn the Economic Development Committee Meeting at 8:15 P.M.

ROLL CALL:	Yes:	B. B. Janovitz, B. Linick, E. Synenberg, J. Taylor
	No:	None.
	Abstain:	None.
	Not Voting:	None.
		MOTION ADOPTED

Approved:


Martin S. Horwitz, Mayor

Clerk of Council

Pursuant to Ordinance Number 2017-107 Council has determined that the official Minutes of its Body, its Committees, and those of the Planning and Zoning Commission shall consist of the Audio Recording of the meetings together with a written synopsis of all agenda items and votes.

CITY OF BEACHWOOD, OHIO

Economic Development Incentive Discussion

April 9, 2018

A BRIEF HISTORY -

- One of the first economic development incentives was offered to Volkswagen to open its first United States production facility in New Stanton, PA in 1977.
- A federal tank plant in Brookpark, OH was said to have been the frontrunner at the time.
- The complete incentive package offered by the state of PA was said to be worth approximately \$100M in government assistance, highway and rail improvements, and a property tax exemption.

BROOKINGS INSTITUTE – INCENTIVE STUDY MARCH 2018

- Studied ED transactions in 4 U.S. cities: Cincinnati, Indianapolis, Salt Lake County, & San Diego
- Key Findings:
 1. Incentives remain a core aspect of ED policy
 2. Incentives have come under renewed scrutiny from researchers and the public (Amazon's HQ2)
 3. Cities should target incentives based upon core principles of inclusive ED:
 1. Grow from within
 2. Boost trade
 3. Invest in people & skills
 4. Connect place
 4. Leaders should ensure incentive policies align with broader ED objectives, embrace transparency & evaluation, and target firms that advance broad-based opportunity

BROOKINGS INSTITUTE – INCENTIVE STUDY MARCH 2018

Overall, the Brookings Institute encourages a
“more responsible and rigorous”
approach to Economic Development incentives

WHY ARE INCENTIVES USED?



OUR CURRENT INCENTIVES

- Attraction
 - Job Creation Incentive Grant program
- Retention (used in the past)
 - Occupancy grant
- Property Investment
 - Community Reinvestment Area (pending application to Ohio DOD)

WHAT OTHER PROGRAMS ARE AVAILABLE?

- Attraction
 - Start-up loan or grant
 - TIF district
- Retention
 - Small business loans or grants
 - Commercial Recycling program
 - Relocation Assistance (expansions)
- Property investment
 - Green building incentives
 - Special Improvement District

NATIONAL EXAMPLES:

- | <u>Austin</u> | <u>Nashville</u> | <u>Columbus</u> |
|--|--|-------------------------------------|
| • Zero Waste Business Rebate | • Fast growing business employment incentive | • Downtown Office Incentive |
| • Community Preservation & Revitalization loan | • Façade improvement grant (specified area) | • Green Columbus fund |
| • Creative Content Incentive Program (film & media) | • Historic Preservation grant | • Business Development loan |
| • Grant for Technology Opportunities (financial and refurbished devices) | • Cash grant (\$x per #x of jobs created, #x jobs minimum) | • Working Capital loan |
| • Free commercial energy assessments | | • Downtown Streetscape Improvements |
| | | • Storefront Renovation grant |

AROUND THE STATE

Westerville

- Relocation loan
- Uptown façade improvement grant
- Energy efficiency rebates
- WeConnect data center
- Municipal utilities (\$ savings)
- Wellness program (through Rec dept.)

New Albany

- Green building – permit discounts & income tax credits
- Workforce development grants
- Job posting web page

Dublin

- Facade improvement grants
- LEED certification grant
- Land acquisition assistance
- Dublink broadband
- Infrastructure assistance
- Building energy audits

REGIONAL

Shaker Heights

- CRA
- Expansion assistance - forgivable loan
- SBA partnership loan

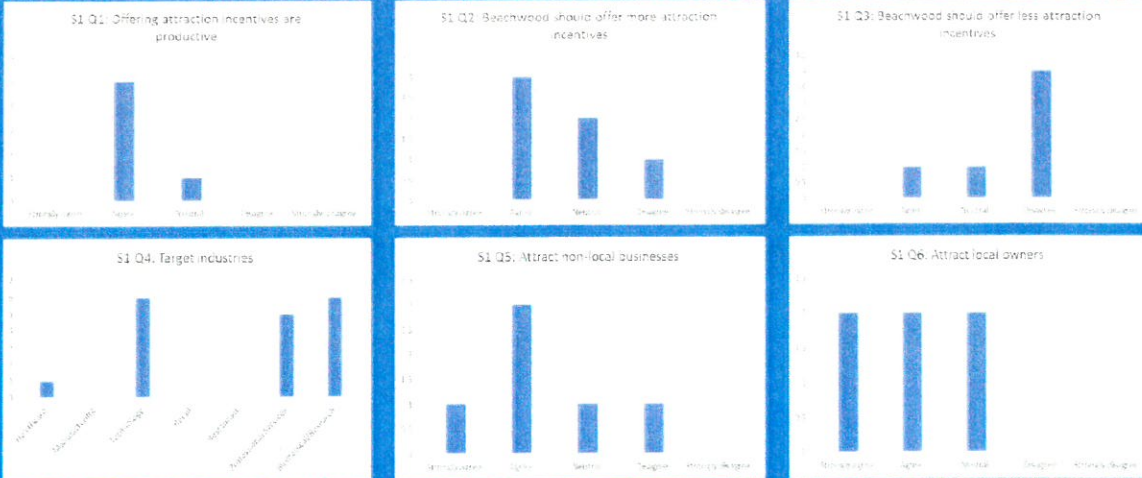
Solon

- JCIG
- "Growth & Revitalization" grant – for redevelopment of obsolete properties
- Enterprise Zone
- Industrial Revenue Bonds
- Small business loan (reduced rates/fees)
- Job postings on city website

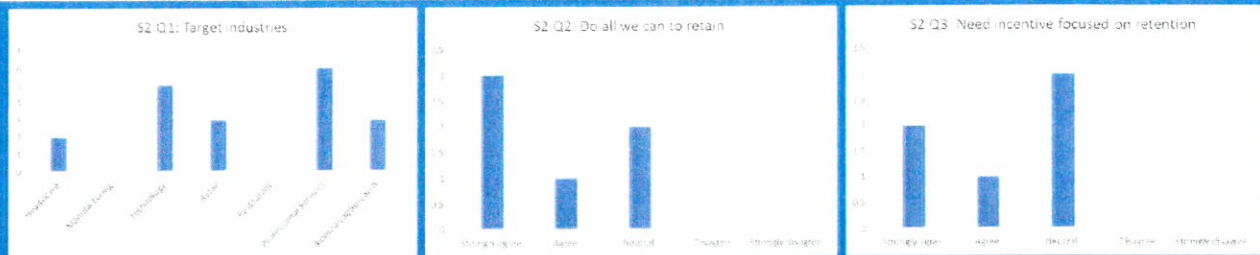
Independence

- JCIG
- Relocation/expansion grant
- Land acquisition assistance (write-down/fee waivers)
- Infrastructure improvements

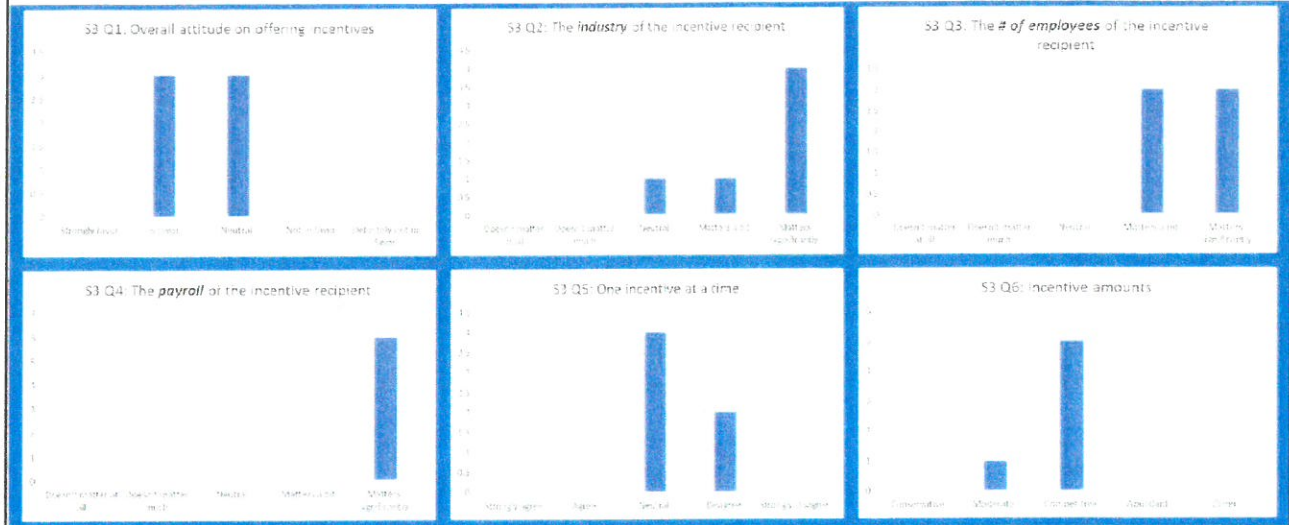
SURVEY RESULTS - ATTRACTION



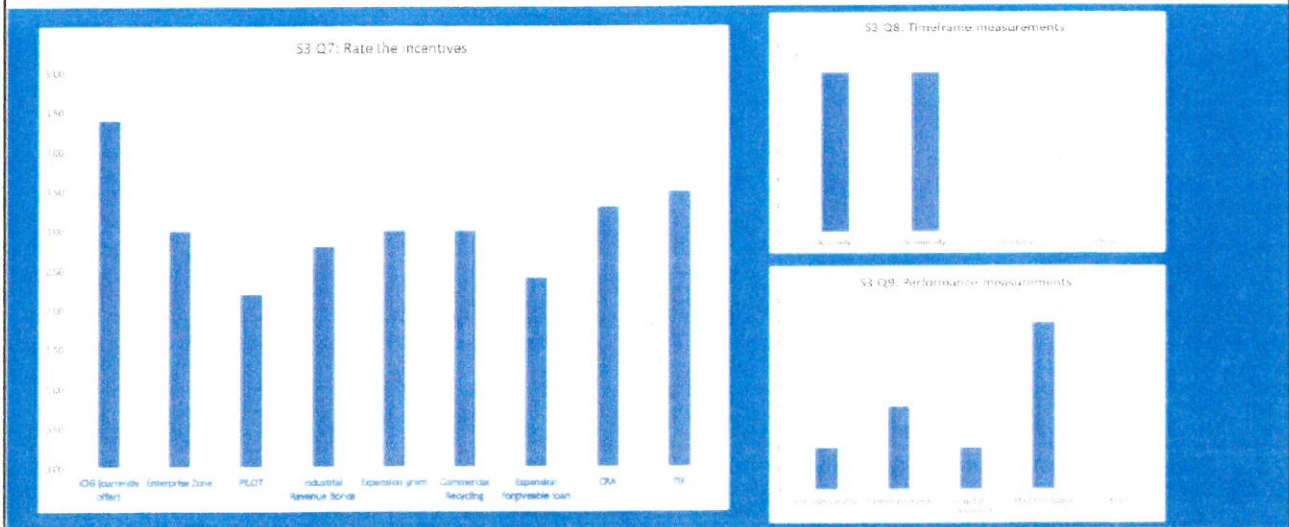
SURVEY RESULTS – RETENTION



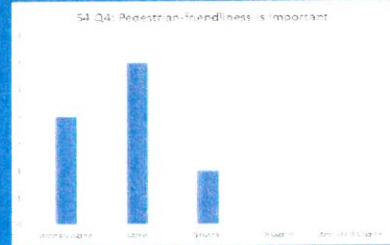
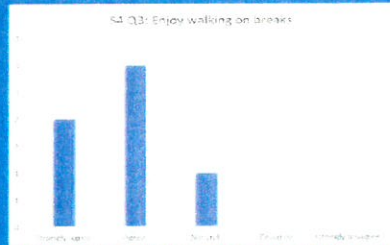
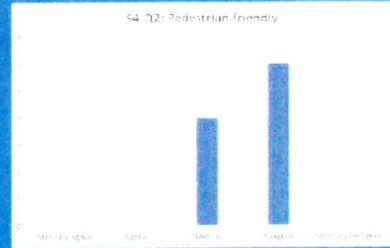
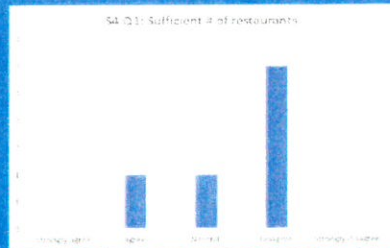
SURVEY RESULTS – INCENTIVES



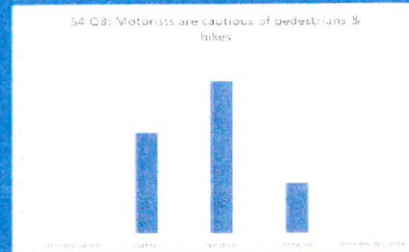
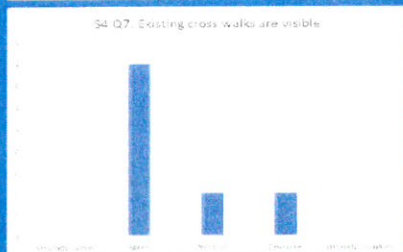
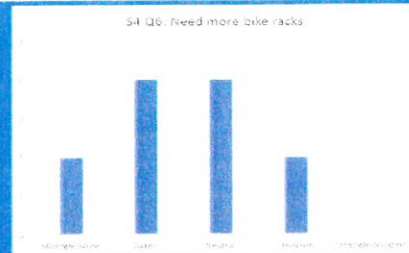
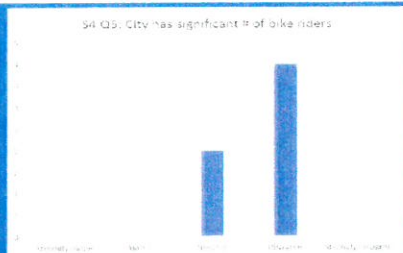
SURVEY RESULTS – INCENTIVES



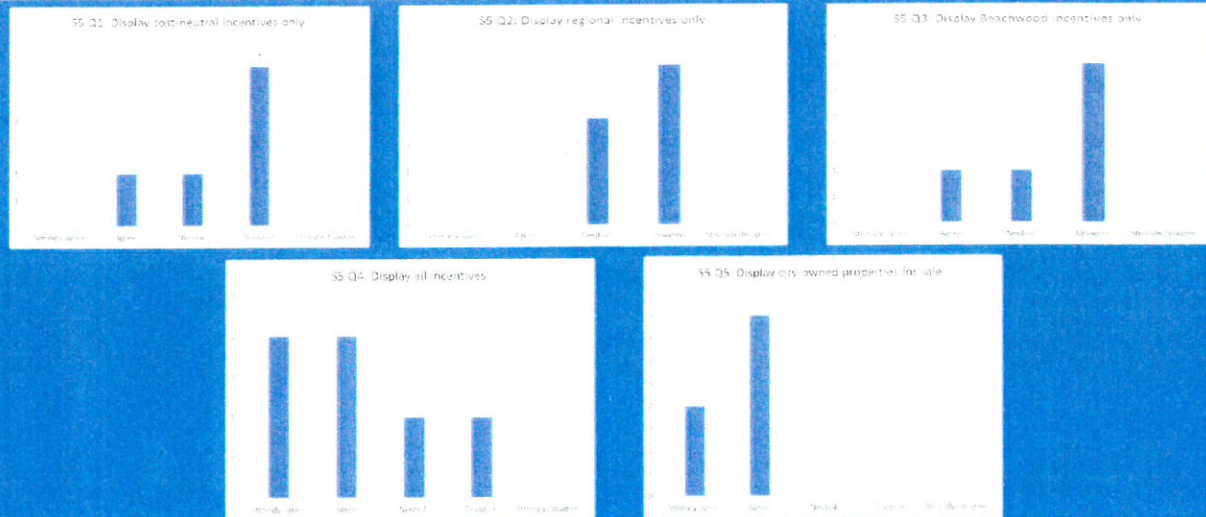
SURVEY RESULTS - ENVIRONMENT



SURVEY RESULTS - ENVIRONMENT



SURVEY RESULTS – COMMUNICATIONS



RECOMMENDATIONS - INCENTIVES

Attraction

- JCIG (points-based scoring)
- Grant per job, payable over a set period of time (for large corporate HQs – Technology, Professional Services, Biomedical)

Retention

- Expansion grant (\$ per square foot offered for min 50% increase in space, adding employees)
- Training/workforce development grant (group training, industry-related, LEAN, leadership skill development)
- Commercial Recycling program

Property Investment

- Community Reinvestment Area (points-based scoring)
- "Green" grants – utilize NOPEC funds

RETENTION VISITS

- Benefits
 - Location
 - Services – Public service, Fire, Police, Building department = A+
- Issues
 - Traffic
 - Lack of restaurant choices
 - Talent (attraction and retention)

RECOMMENDATIONS - ENVIRONMENT



Improve crosswalk visibility



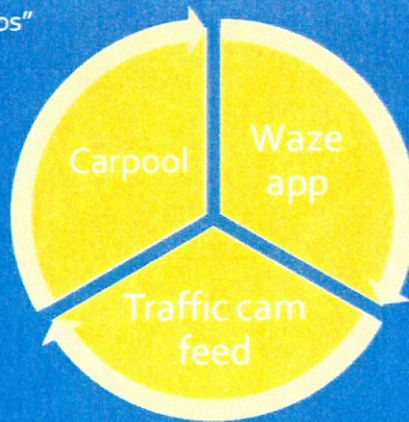
Encourage bicycles



Attraction efforts – restaurant, café, ice cream, etc.

RECOMMENDATIONS - TRAFFIC

Website – add a “Traffic tips” section



QUESTIONS/DISCUSSION

- Attraction
- Retention
- Property investment
- Incentives to offer
- Website communications
- Environment
- Retention visits
- Traffic tip ideas

NEXT STEPS

- Confirm incentive options
- Confirm budgetary needs/answer budget questions
- Pass any necessary policies/ordinances
- Update documentation/website pages
- Implement strategies

APPENDIX

- Proposed JCIG points-based application
- Proposed CRA points-based application

Job Creation Incentive Grant Program application

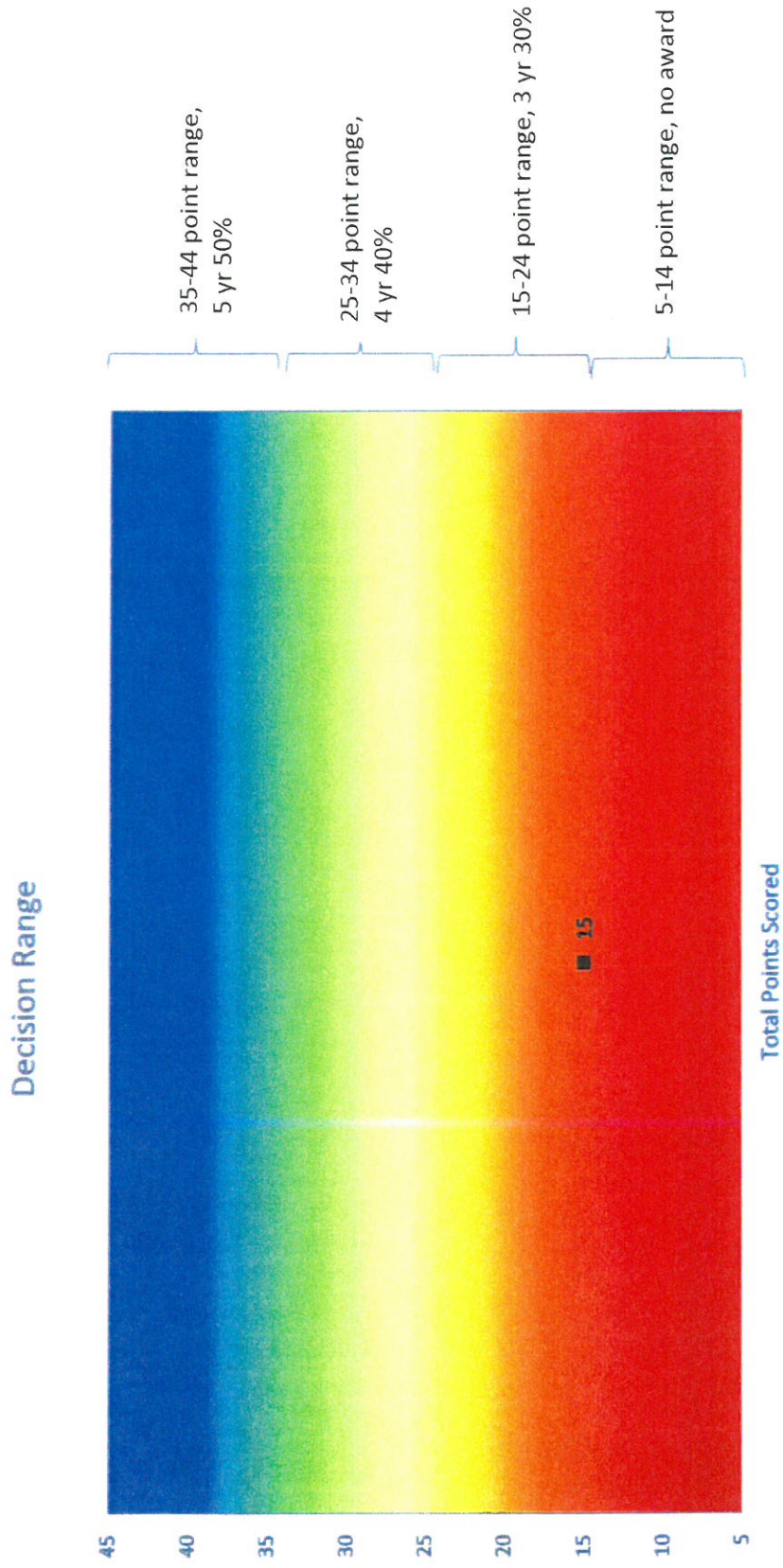
Company name: _____

Date: _____

1. Current facility location: ☐ Outside of United States - 5 ☐ In OH, outside of Cuyahoga County – 3 ☐ In Beachwood - 1
☐ In US, outside of Ohio - 4 ☐ In Cuyahoga County, but outside of Beachwood – 2
2. Parent company location: ☐ Outside of United States - 5 ☐ In OH, outside of Cuyahoga County – 3 ☐ In Beachwood - 1
☐ In US, outside of Ohio - 4 ☐ In Cuyahoga County, but outside of Beachwood – 2
3. Current number of employees: ☐ 0-29 (0 points) ☐ 30-50 (1 point) ☐ 51-75 (2 points) ☐ 76-100 (3 points)
(including all offices) ☐ Over 100 (4 points)
4. Number of employees to be added by Year 3: ☐ 1-5 (1 point) ☐ 6-10 (2 points) ☐ 11-15 (3 points) ☐ 16 or more (4 points)
5. Average salary of non-executive level employees: ☐ \$0-24,999 (1 point) ☐ \$25,000-49,999 (2 points) ☐ \$50,000-99,999 (3 points)
☐ \$100,000+ (4 points)
6. Level of planned capital investment: ☐ \$0-249,999 (1 point) ☐ \$250,000-499,999 (2 points) ☐ \$500,000-999,999 (3 points)
☐ \$1,000,000+ (4 points)

7. Locating inside the Commerce Park CRA? ☐ Yes (1 point) ☐ No (0 points)
8. Industry: ☐ Medical, BioMed, IT (5 points) ☐ Professional Services (4 points) ☐ Wholesale, Manufacturing (3 points)
☐ Other (0 points)
9. LEED certification level: ☐ N/A (0 points) ☐ Certified (1 point) ☐ Silver (2 points) ☐ Gold (3 points) ☐ Platinum (4 points)
10. Locating within a mixed-use development? ☐ Yes (3 points) ☐ No (0 points)
11. Purchasing building? ☐ Yes (3 points) ☐ No (0 points)
12. If leasing, length of lease: ☐ 0-3 years (0 points) ☐ 4-5 years (1 point) ☐ 6-9 years (2 points) ☐ 10 years+ (3 points)

Results Chart:



Point range: 5=lowest, 44=highest

Commerce Park CRA allocation application form

Property address: _____

Date: _____

1. Level of planned capital investment: ☐ \$50,000-249,999 (1 point) ☐ \$250,000-499,999 (2 points) ☐ \$500,000-999,999 (3 points)
☐ \$1,000,000-\$1,999,999 (4 points) ☐ \$2,000,000+ (5 points)
2. LEED certification level: ☐ N/A (0 points) ☐ Certified (1 point) ☐ Silver (2 points) ☐ Gold (3 points) ☐ Platinum (4 points)
3. % of building sq. footage increase: ☐ 0-10% (0 points) ☐ 10-24% (1 point) ☐ 25-49% (2 pts) ☐ 50-74% (3 pts) ☐ 75-100%+ (4 pts)
4. Public car charging station installation: Yes (2 points) ☐ No (0 points) ☐
5. Bike rack installation: ☐ Yes (1 point) ☐ No (0 points)
6. ADA compliance enhancements: ☐ Entry (1 point) ☐ Doors/Elevator (1 point) ☐ Facilities (1 point) ☐ None (0 points)
7. Installation of fiber network: ☐ Yes (5 points) ☐ No (0 points)
8. Ground sign upgrade: ☐ Yes (1 point) ☐ No (0 points)
9. New business moving in? ☐ Yes (1 point) ☐ No (0 points)
 - a) If yes, number of employees: ☐ 1-5 (1 point) ☐ 6-10 (2 points) ☐ 11-15 (3 points) ☐ 16 or more (4 points) ☐

- b) If yes, Industry: Medical, BioMed, IT (5 points) Professional Services (4 points) Wholesale, Manufacturing (3 points) ☐
- Restaurant/Café (2 points) Other (0 points) ☐
- A1. If yes, length of lease: ☐ 0-3 years (0 points) ☐ 4-5 years (1 point) ☐ 6-9 years (2 points) ☐ 10 years+ (3 points) ☐ N/A

OR

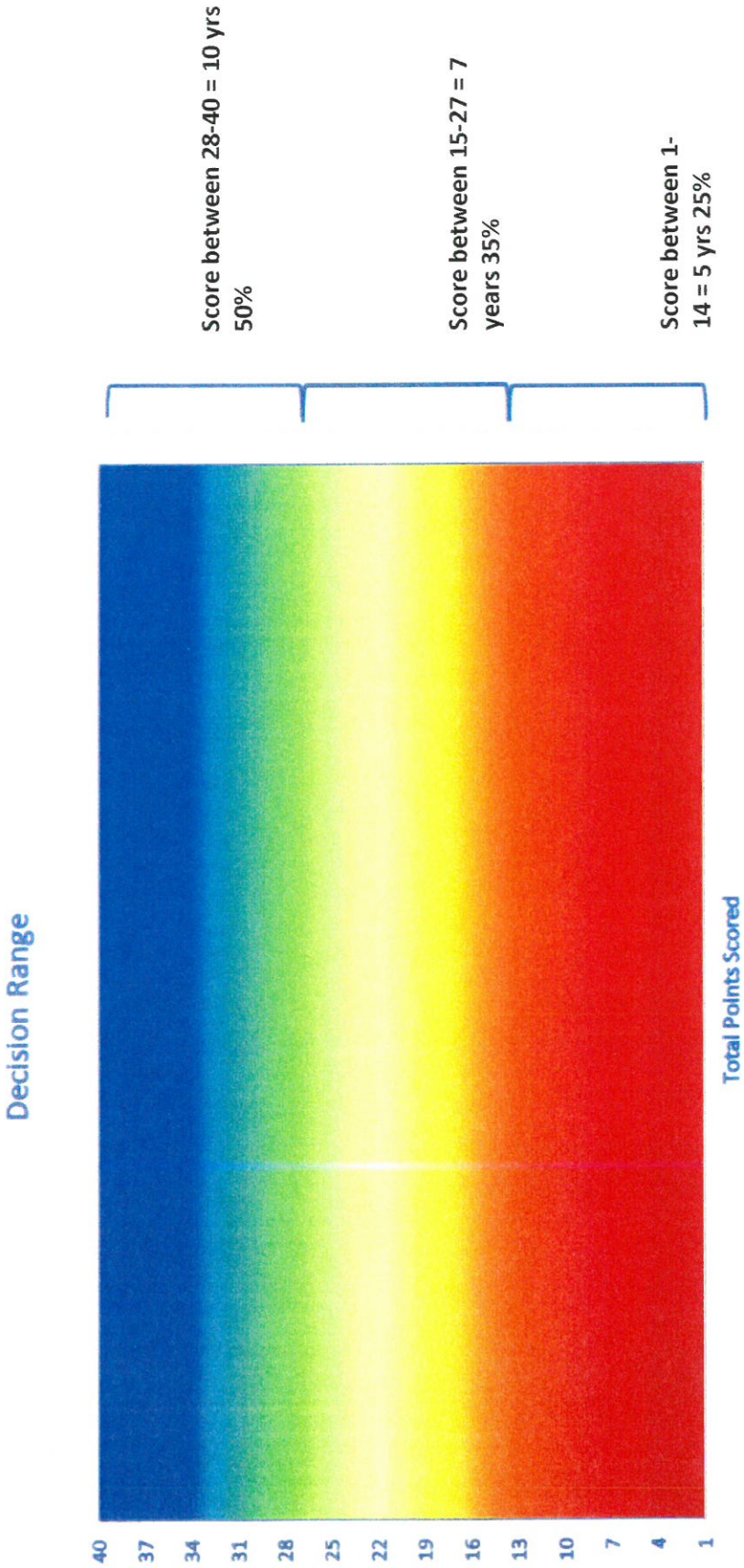
- B1. If yes, is business owner purchasing building? ☐ Yes (4 points) ☐ No (0 points)

10. Exterior façade update? ☐ Yes (3 points) ☐ No (0 points)

11. Premium parking spaces for electric vehicles and/or carpoolers? ☐ Yes (1 point) ☐ No (0 points)

Score Total: _____

Results Chart:



Point range: 1=lowest, 40=highest