

**BEACHWOOD CITY COUNCIL
COMMITTEE OF THE WHOLE MEETING AGENDA
MONDAY, DECEMBER 3, 2018, 5:30 PM
at BEACHWOOD CITY HALL, CONFERENCE ROOM A,
25325 Fairmount Boulevard, Beachwood, Ohio**

Brian Linick
James Pasch
Justin Berns
Alec Isaacson
Barbara Bellin Janovitz
Eric Synenberg
June E. Taylor

1. Mayor's Report.
2. Presentation and Discussion regarding Surgical Theater JCIG application.
3. Discussion regarding CIC, SID, and TIF.
4. Discussion regarding proposed Ordinance for seatbelts on school buses.
5. Any other matters coming before the Committee of the Whole.

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Job Creation Incentive Grant Application

The following is an application to the City of Beachwood, Ohio located in the County of Cuyahoga by Surgical Theater, LLC, hereinafter referred to as the Enterprise.
(Enterprise name)

I. General Information

Applicant: Enterprise Name Surgical Theater, LLC

Home Office Street Address 781 Beta Dr.

City Mayfield Village **State** Ohio **Zip code** 44143

Local Site Street Address _____

City _____ **State** _____ **Zip code** _____

Contact Person Name Guy Geri

Telephone 216-452-2177 **Fax** 216-916-3806

Email ggeri@surgicaltheater.net

Primary business activity of the enterprise

Virtual Reality for Medical Procedures / Software Development

NAICS Code that apply to the products produced by the enterprise.

NAICS Code # 334510 **NAICS Code #** _____

NAICS Code # _____ **NAICS Code #** _____

Form of business of Enterprise (corporation, partnership, proprietorship, or other).

Limited Liability Company

Name of principal owner(s) or officers of the enterprise (attach list, if necessary).

Mordechai "Moty" Avisar - Co-Founder and CEO

Alon Geri - Co-Founder and CTO

Does the Enterprise owe:

- A. Any delinquent taxes to the State of Ohio or any County, City or Township within the State of Ohio?

Yes _____ No ☒

- B. Any moneys to the State or a state agency for the administration or enforcement of any environmental laws of the State?

Yes _____ No ☒

- C. Any other moneys to the State, a state agency or a political subdivision of the State that are past due, whether the amounts owed are being contested in a court of law or not?

Yes _____ No ☒

- D. If yes to any of the above, please provide details of each instance including, but not limited to, the location, the amounts and/or case identification numbers (attach additional sheets if needed).

II. Financial Information

Federal Identification Number (FEIN) _____

III. Employment & Payroll Information

A. State the enterprise's current employment level at the site:

Current Full-time Permanent Employment at **proposed project site**: _____ 12 / \$1.7 million

Current Full-time Temporary Employment at **proposed project site**: _____

Current Part-time Permanent Employment at **proposed project site**: _____

Current Part-time Temporary Employment at **proposed project site**: _____

B. Enterprise's current employment level in Beachwood:

Current total Full-time Permanent Employment: _____⁰

Current total Full-time Temporary Employment: _____

Current total Part-time Permanent Employment: _____

Current total Part-time Temporary Employment: _____

C. List schedule for hiring new full-time positions:

Year 1

Year 2

Year 3

2

2

2

D. Estimate the amount of annual payroll new employees will add.

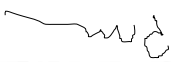
New Full-time Permanent Year 1: \$ \$300,000 - \$2.0 million total
Year 2: \$ \$300,000 - \$2.3 million total
Year 3: \$ \$300,000 - \$2.6 million total

E. Application Fee

A non-refundable application fee of \$750.00 in the form of a check made payable to the City of Beachwood shall be submitted with the application.

IV. Certifications of Information

Submission of this application expressly authorizes the City of Beachwood to contact any agency to confirm the statements contained herein. The Applicant affirmatively covenants that the information contained in and submitted with this application is complete and correct and is aware of the ORC Sections 9.66(C)(1) and 2921.13(D)(1) penalties for falsification which could result in the forfeiture of all current and future economic development assistance benefits as well as a fine of not more than \$1,000 and/or a term of imprisonment of not more than six months.



Signature
SVP Business and Compliance

Title

November 27, 2018

Date
GUY GERI

Printed Name

A copy of this application will be attached to the final Job Creation Incentive Grant Program Agreement as Exhibit A.

SURGICAL THEATER

Year	Projected Number of employees	Projected New Payroll by year	Projected Total Payroll	Avg. Salary
2019	12	\$ 1,700,000	\$1,700,000	\$141,667
2020	14	\$ 300,000	\$2,000,000	\$142,857
2021	16	\$ 300,000	\$2,300,000	\$143,750
2022	18	\$ 300,000	\$2,600,000	\$144,444
2023	20	\$ 300,000	\$2,900,000	\$145,000
2024	22	\$ 300,000	\$3,200,000	\$145,455
2025	22	\$ -	\$3,200,000	\$145,455
		\$3,200,000	\$14,700,000	

Projected JCIG abatement	New Income Tax	City's projected receipts	Notes
\$ 40,000	\$34,000	(\$6,000)	Year 1 proposed occupancy grant of \$40,000
\$ 13,800	\$40,000	\$26,200	
\$ 15,600	\$46,000	\$30,400	
\$ 17,400	\$52,000	\$34,600	
	\$58,000	\$58,000	
	\$64,000	\$64,000	
	\$64,000	\$64,000	
\$ 86,800	\$358,000	\$271,200	

CITY OF BEACHWOOD

DECEMBER 3, 2018

CIC (COMMUNITY IMPROVEMENT CORPORATION)

SID (SPECIAL IMPROVEMENT DISTRICT)

TIF (TAX INCREMENT FINANCING)

COMMUNITY IMPROVEMENT CORPORATION (“CIC”)

A CIC IS A NON-PROFIT CORPORATION CREATED AND ADMINISTERED UNDER ORC 1702 AND 1724, FOR THE PURPOSES OF: “ADVANCING, ENCOURAGING, AND PROMOTING THE INDUSTRIAL, ECONOMIC, COMMERCIAL, AND CIVIC DEVELOPMENT OF A COMMUNITY OR AREA”. (ORC 1724.01(B)(1)).

CICs WERE AUTHORIZED BY LEGISLATION PASSED IN 1961 UNDER THEN GOVERNOR DISALLE.

THEY MAY BE CREATED BY INDIVIDUAL COUNTIES, TOWNSHIPS, OR MUNICIPALITIES OR BY MULTIPLE COUNTIES.

AS OF 2015, IT IS ESTIMATED THAT THERE WERE NEARLY 300 ECONOMIC DEVELOPMENT CICs IN EXISTENCE IN OHIO.

SHAKER HEIGHTS 1980

MAYFIELD VILLAGE 1983

LYNDHURST 2002

SOLON 1967

STRONGSVILLE 1977

WESTLAKE 1976

PROCESS TO ESTABLISH:

- COUNCIL PASSES LEGISLATION AUTHORIZING THE CREATION OF A COMMUNITY IMPROVEMENT CORPORATION AND DESIGNATING THE CIC AS ITS AGENT
- FILE ARTICLES OF INCORPORATION WITH THE SECRETARY OF STATE DESIGNATING A STATUTORY AGENT, IDENTIFYING THE LOCATION AND THE PURPOSE OF THE COMMUNITY IMPROVEMENT CORPORATION
- ATTORNEY GENERAL REVIEWS AND APPROVES THE ARTICLES OF INCORPORATION
- CIC BOARD ADOPTS A CODE OF REGULATIONS
- GOVERNED BY THE BOARD OF DIRECTORS AND OFFICERS- 40% OF THE BOARD OF DIRECTORS MUST BE ELECTED OR APPOINTED OFFICIALS OF THE POLITICAL SUBDIVISION

BENEFITS:

- SELL OR TO LEASE ANY REAL PROPERTY OR INTERESTS IN REAL PROPERTY OWNED BY THE POLITICAL SUBDIVISION DETERMINED FROM TIME TO TIME BY THE LEGISLATIVE AUTHORITY THEREOF NOT TO BE REQUIRED BY SUCH POLITICAL SUBDIVISION FOR ITS PURPOSES, FOR USES DETERMINED BY THE LEGISLATIVE AUTHORITY AS THOSE THAT WILL PROMOTE THE WELFARE OF THE PEOPLE OF THE POLITICAL SUBDIVISION, STABILIZE THE ECONOMY, PROVIDE EMPLOYMENT, ASSIST IN THE DEVELOPMENT OF INDUSTRIAL, COMMERCIAL, DISTRIBUTION, AND RESEARCH ACTIVITIES TO THE BENEFIT OF THE PEOPLE OF THE POLITICAL SUBDIVISION, WILL PROVIDE ADDITIONAL OPPORTUNITIES FOR THEIR GAINFUL EMPLOYMENT, OR WILL PROMOTE THE RECLAMATION, REHABILITATION, AND REUTILIZATION OF VACANT, ABANDONED, TAX-FORECLOSED, OR OTHER REAL PROPERTY WITHIN THE SUBDIVISION. THE LEGISLATIVE AUTHORITY SHALL SPECIFY THE CONSIDERATION FOR SUCH SALE OR LEASE AND ANY OTHER TERMS THEREOF. ANY DETERMINATIONS MADE BY THE LEGISLATIVE AUTHORITY UNDER THIS DIVISION SHALL BE CONCLUSIVE. THE COMMUNITY IMPROVEMENT CORPORATION ACTING THROUGH ITS OFFICERS AND ON BEHALF AND AS AGENT OF THE POLITICAL SUBDIVISION SHALL EXECUTE THE NECESSARY INSTRUMENTS, INCLUDING DEEDS CONVEYING THE TITLE OF THE POLITICAL SUBDIVISION OR LEASES, TO ACCOMPLISH SUCH SALE OR LEASE. SUCH CONVEYANCE OR LEASE SHALL BE MADE WITHOUT ADVERTISING AND RECEIPT OF BIDS.

LOCAL CIC USES:

SHAKER HEIGHTS DEVELOPMENT CORPORATION

MISSION: IS TO ENHANCE THE COMMERCIAL REVITALIZATION EFFORTS OF THE CITY OF SHAKER HEIGHTS IN ORDER TO STRENGTHEN RESIDENTIAL NEIGHBORHOODS AND DIVERSIFY THE CITY'S TAX BASE

VISION: SHDC ENVISIONS AN ENRICHED SHAKER HEIGHTS COMMUNITY THAT SEAMLESSLY BLENDS OUR INNOVATIVE HISTORY INTO A VIBRANT FUTURE BY FOSTERING ENTREPRENEURIAL OPPORTUNITIES AND STIMULATING SUSTAINABLE ECONOMIC GROWTH

TRANSPARENCY REQUIREMENTS:

- MUST FILE AN ANNUAL REPORT WITH THE AUDITOR OF STATE
- SUBJECT TO AUDIT BY THE AUDITOR OF STATE
- SUBJECT TO SUNSHINE LAW AND PUBLIC RECORDS WITH LIMITED EXCEPTIONS:
 - MEETINGS ARE PUBLIC UNLESS A VOTE TO CLOSE THE MEETING IS MADE TO CONSIDER CONFIDENTIAL INFORMATION
 - FINANCIAL AND PROPRIETARY INFORMATION MAY BE MAINTAINED AS CONFIDENTIAL
 - ALL OTHER INFORMATION SUBMITTED TO THE CIC IN CONNECTION WITH THE RELOCATION, LOCATION, EXPANSION IMPROVEMENT OR PRESERVATION OF A BUSINESS IS CONFIDENTIAL UNTIL THE ENTITY COMMITS IN WRITING TO PROCEED

CIC FUNDING:

MUNICIPAL GENERAL FUND

GRANTS

PROCEEDS FROM PROPERTY SALES/FEES

MEMBERSHIP FEES

SPECIAL IMPROVEMENT DISTRICTS ("SID")

- SPECIAL IMPROVEMENT DISTRICTS WERE CREATED AND ADMINISTERED UNDER ORC 1710 IN JUNE 2000
- A SID MAY BE CREATED WITHIN THE BOUNDARIES OF ANY ONE MUNICIPAL CORPORATION, ANY ONE TOWNSHIP, OR ANY COMBINATION OF CONTIGUOUS MUNICIPAL CORPORATIONS AND TOWNSHIPS FOR THE PURPOSE OF DEVELOPING AND IMPLEMENTING PLANS FOR PUBLIC IMPROVEMENTS AND PUBLIC SERVICES THAT BENEFIT THE DISTRICT.
- A DISTRICT MAY BE CREATED BY PETITION OF THE OWNERS OF REAL PROPERTY WITHIN THE PROPOSED DISTRICT, OR BY AN EXISTING QUALIFIED NONPROFIT CORPORATION.
- ALL TERRITORY IN A SPECIAL IMPROVEMENT DISTRICT SHALL BE CONTIGUOUS; EXCEPT THAT THE TERRITORY IN A SPECIAL IMPROVEMENT DISTRICT MAY BE NONCONTIGUOUS IF AT LEAST ONE SPECIAL ENERGY IMPROVEMENT PROJECT IS DESIGNATED FOR EACH PARCEL OF REAL PROPERTY INCLUDED WITHIN THE SPECIAL IMPROVEMENT DISTRICT.
- THE DISTRICT SHALL BE GOVERNED BY THE BOARD OF TRUSTEES OF A NONPROFIT CORPORATION. THIS BOARD SHALL BE KNOWN AS THE BOARD OF DIRECTORS OF THE SPECIAL IMPROVEMENT DISTRICT.
- FUNDS ARE ASSESSED TO PROPERTY OWNERS TO PAY FOR PUBLIC IMPROVEMENTS

PROCESS TO ESTABLISH:

- ESTABLISH PROPOSED PLAN FOR USE OF FUNDS
- GATHER PROPERTY OWNERS FOR ENGAGEMENT SESSIONS
- NEED AT LEAST 60% PARTICIPATION
- DETERMINE METHODOLOGY OF ASSESSMENT (PROPERTY VALUES VS. FRONT LINE FOOTAGE OR COMBINATION OF THE TWO)
- ARTICLES OF INCORPORATION
- ORDINANCE APPROVING SID ARTICLES OF INCORPORATION
- ESTABLISH BOARD OF DIRECTORS
- MUST BE REVIEWED/REAPPROVED EVERY 5 YEARS

BENEFITS:

- ACHIEVE MUTUALLY BENEFICIAL GOALS
- ATTRACT NEW BUSINESSES
- INCREASE PROPERTY VALUES
- INCREASE LEASE RATES
- SHARE COSTS
- INCREASE PROPERTY OWNER ENGAGEMENT

LIMITATIONS:

- TIME SPENT TO ESTABLISH/ORGANIZE
- PARTICIPATION RATE REQUIREMENT COULD BE A CHALLENGE
- NEEDS OF PROPERTY OWNERS MAY VARY WIDELY
- TIME CONSTRAINTS ON BOARD MEMBERS
- OUT OF STATE PROPERTY OWNERS CAN BE DIFFICULT TO CONTACT

LOCAL SID USES:

CEDAR LEE SPECIAL IMPROVEMENT DISTRICT:

A PUBLIC/PRIVATE PARTNERSHIP FORMED AS AN ALLIANCE BETWEEN THE BUSINESS COMMUNITY AND THE CITY OF CLEVELAND HEIGHTS .

MISSION: THE MISSION OF THE SID IS TO ADDRESS ISSUES FACING THE BUSINESS COMMUNITY, WITH THE GOAL OF IMPROVING THE LOCAL ECONOMY AND THE OVERALL BUSINESS CLIMATE IN THE CEDAR LEE BUSINESS DISTRICT.

- Streetscapes
- Parking
- Plantings
- Street cleaning

DOWNTOWN CLEVELAND ALLIANCE:

MISSION: DOWNTOWN CLEVELAND ALLIANCE'S MISSION IS TO MAKE DOWNTOWN CLEVELAND THE REGION'S MOST DYNAMIC PLACE TO LIVE, WORK, PLAY AND VISIT.

VISION: TO CREATE A VIBRANT CITY CENTER BY ENHANCING THE PEDESTRIAN EXPERIENCE AND ATTRACTING MORE INVESTMENT INTO DOWNTOWN CLEVELAND THROUGH STRATEGIC INITIATIVES AND ADVOCACY EFFORTS.

- Streetscapes
- Cleaning
- Property development
- Safety patrol

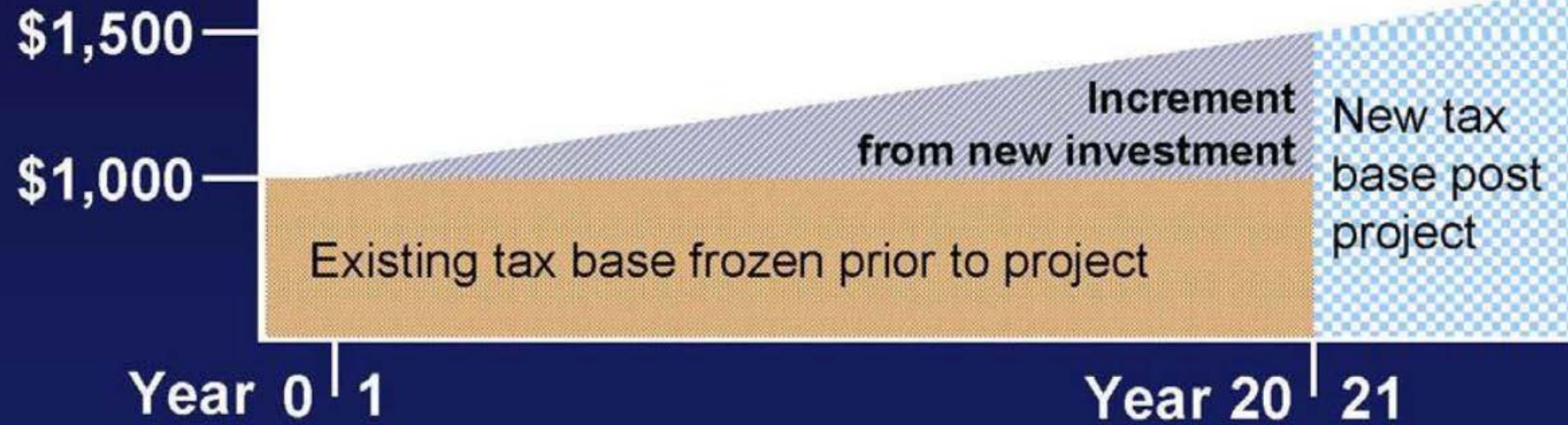
COMMERCE PARK POTENTIAL SIDE USES:

- UNIFORM SIGNAGE
- WATER RETENTION
- BIKE RACKS/SHARING
- BENCHES
- GREEN SPACE
- ENERGY EFFICIENT LIGHTING
- FIBER/WI-FI
- RECYCLING PROGRAM
- TREES
- STRUCTURED PARKING
- SECURITY CAMERAS

TAX INCREMENT FINANCING (NON-SCHOOL)

- DEFINITION: TAX INCREMENT FINANCING (“TIF”) IS AN ECONOMIC DEVELOPMENT TOOL THAT ENABLES LOCAL GOVERNMENTS TO FINANCE PUBLIC INFRASTRUCTURE IMPROVEMENTS
- THE TWO MAIN TYPES OF TIFS ARE PARCEL TIFS AND INCENTIVE DISTRICT TIFS
- THE LOCAL LEGISLATIVE AUTHORITY MUST BY ORDINANCE OR RESOLUTION, DECLARE IMPROVEMENTS TO REAL PROPERTY TO BE A PUBLIC PURPOSE

Basic TIF Example



HOW IT WORKS:

- AS IMPROVEMENT ARE MADE TO PROPERTY, ITS VALUE – AND THEREFORE THE TAXABLE VALUE SHOULD INCREASE. TIFS TAKE THE INCREASE IN THE ASSESSED VALUATION OF REAL PROPERTY AND TECHNICALLY EXEMPT THE AMOUNT OF TAXES ATTRIBUTED TO THE INCREASE. THE AMOUNT THAT WOULD HAVE BEEN PAID IS STILL PAID BY THE PROPERTY OWNER AS A PAYMENT IN LIEU OF TAXATION (“PILOT”).
- THE PILOTS ARE THEN DEPOSITED INTO A TIF FUND FOR USE BY THE CITY TO PAY FOR PUBLIC INFRASTRUCTURE IMPROVEMENTS SUCH AS THE CONSTRUCTION AND MAINTENANCE OF ROADS, WATER AND SEWER LINES AND COMMUNICATION FACILITIES. FUNDS MAY ALSO BE USED FOR LAND ACQUISITION AND DEMOLITION NECESSARY FOR ECONOMIC DEVELOPMENT, ALONG WITH STORMWATER AND FLOOD REMEDIATION.