

MEMORANDUM

TO: Mayfield Village Council

FROM: Ted Esborn

RE: Stride Tool

DATE: July 10, 2013

Last year, the Community and Economic Development Committee (CEDC) developed the attached program for companies seeking financial incentives to relocate to Mayfield Village. Under this program, companies could be eligible for grants up to 50 percent of withholding tax revenue generated. The primary factor considered is the amount of new tax revenue the company would bring the Village, but as you can see, other factors are considered as well.

Two weeks ago, a hand tool manufacturer called Stride Tool expressed an interest in relocating from Glenwillow to Mayfield Village, and asked if there were incentives available to do so. I worked through the program calculations with Ron Wynne and Nick Delguyd and arrived at tentative terms for a grant agreement with the company. We then shared that proposal with the other members of CEDC, and there was consensus that the terms of the proposal were fair, and that offering the incentive grant was in the best interest of Mayfield Village.

We agreed that the next step is to prepare a letter of intent to Stride Tool from the Mayor, outlining the terms of the incentive agreement. The letter of intent will make it clear that the incentive grant is contingent on Council approval. Simultaneously, we will draft the grant agreement, and if Stride Tool is amenable to the terms outlined in the letter of intent, we will present that grant agreement to Council for approval.

If there are any questions about this process, please do not hesitate to contact me.

**Mayfield Village Economic Development
Incentive Application**

<u>1. Company Name:</u>	<u>2. Current Address of Company (or of Operation Relocating to Mayfield Village):</u>
<u>3. Description of Company Operations:</u>	
<u>4. Total Payroll (at Mayfield Village location):</u>	<u>5. Number of employees (at Mayfield Village location):</u>
<u>6. Are there any employees who will not be paying income tax to Mayfield Village? If so, how many?</u>	
<u>7. To Which Mayfield Village Property are you Relocating?</u>	
<u>8. Are you Purchasing or Leasing?</u>	<u>9. How many square feet will you occupy?</u>
<u>10. If leasing, how long is the lease?</u>	<u>11. When is your anticipated move date?</u>

**Incentive Application
Evaluation/Review**

Average Annual Revenue to Mayfield Village

- \$10,000 - \$25,000
 - = 5 points
- \$25,001 - \$50,000
 - = 10 points
- \$50,000 - \$100,000
 - = 15 points
- \$100,000 - \$200,000
 - = 20 points
- Over \$200,000
 - = 25 points

Density (Payroll Dollars per Square Foot)

- \$100 / sq. ft. for office \$40 / sq. ft. for manufacturing
 - 10 points

New Business to Cuyahoga County

- Business is a startup or currently located outside Cuyahoga County
 - 5 points

Owner Occupied

- Business is purchasing building
 - 5 points

Vacancy

- Business is moving into property with more than 50% vacancy
 - 5 points

TOTAL SCORE =

**Incentive Application
Recommendation**

Company Name:

Date:

Summary of Evaluation/Review:

Comments:

Recommendation to CEDC: