

**BEACHWOOD CITY COUNCIL  
ECONOMIC DEVELOPMENT COMMITTEE MEETING AGENDA  
MONDAY, APRIL 15, 2019, 6:00 PM  
at BEACHWOOD CITY HALL, CONFERENCE ROOM A,  
25325 Fairmount Boulevard, Beachwood, Ohio 44122**

Eric Synenberg  
Barbara Bellin Janovitz  
Brian Linick  
June E. Taylor

Agenda Items

1. Mayor's Report
2. Discussion regarding an Ordinance assigning the Job Creation and Retention Incentive Grant Agreement with Real Alloy Recycling, Inc. to Real Alloy Recycling, LLC
3. Presentation by ootBox regarding a possible partnership with the City of Beachwood, Ohio
4. Any other matters coming before the Economic Development Committee

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# **CITY OF BEACHWOOD**

## **INTER-OFFICE COMMUNICATION**

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**TO:** Martin Horwitz, Mayor

**FROM:** Larry Heiser, Finance Director

**DATE:** 4/1/2019

**SUBJECT:** Discussion regarding an Ordinance assigning the Job Creation and Retention Incentive Grant Agreement with Real Alloy Recycling, Inc. to Real Alloy Recycling, LLC

Real Alloy was granted a Job Creation Incentive Grant under Ordinance 2015-102. The grant is for five years starting January 1, 2016 thru December 31, 2020. On May 31, 2018 Real Alloy Recycling, Inc.'s assets were sold and the assets are owned by a new entity Real Alloy Recycling, LLC. (FEI 82-5404934). Real Alloy Recycling, Inc. wants to transfer the Job Creation Incentive Grant Program with the City of Beachwood to Real Alloy Recycling, LLC. Consent by Council is required to approve having the agreement assigned to the new entity

INTRODUCED BY:

ORDINANCE NO. 2019-48

AN ORDINANCE ASSIGNING THE JOB CREATION AND RETENTION INCENTIVE GRANT AGREEMENT WITH REAL ALLOY RECYCLING, INC. TO REAL ALLOY RECYCLING, LLC; AND DECLARING THIS TO BE AN URGENT MEASURE

WHEREAS, pursuant to Ordinance No. 2015-102, the City of Beachwood entered into a Job Creation and Retention Incentive Grant Agreement with Real Alloy Recycling, Inc.; and

WHEREAS, the Job Creation and Retention Incentive Grant Agreement with Real Alloy Recycling, Inc. was for a period of five years (5) commencing on January 1, 2016 and ending December 31, 2020; and

WHEREAS, on May 31, 2018, Real Alloy Recycling, Inc.'s assets were sold to a new entity, Real Alloy Recycling, LLC; and

WHEREAS, Real Alloy Recycling, Inc. has requested that the Job Creation and Retention Incentive Grant Agreement be assigned to Real Alloy Recycling, LLC.

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

Section 1: City Council, pursuant to Article IV of the Job Creation and Retention Incentive Grant Agreement ("Grant Agreement"), consents to the assignment of the Grant Agreement from Real Alloy Recycling, Inc. to Real Alloy Recycling, LLC and further authorizes and directs the Mayor to execute an Assignment to the Job Creation and Retention Incentive Grant Agreement from Real Alloy Recycling, Inc. to Real Alloy Recycling, LLC.

Section 2: 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 Codified Ordinances of the City.

Section 3: This Ordinance is declared to be an urgent measure which is immediately necessary for the preservation of the public peace, health or safety or the efficient operation of the City, and for the further reason of continuing the Grant Agreement uninterrupted; wherefore, this Ordinance shall be in full force and effect immediately upon its passage and approval by the Mayor.

ORDINANCE NO. 2019-48

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 1<sup>st</sup> day of April, 2019, and presented to the Mayor for approval or rejection in accordance with Article III, Section 8 of the Charter on the 2<sup>nd</sup> day of April, 2019.

\_\_\_\_\_  
Clerk

Approval: I have approved this legislation this 2<sup>nd</sup> day of April, 2019, and filed it with the Clerk.

\_\_\_\_\_  
Mayor

## **JOB CREATION AND RETENTION INCENTIVE GRANT AGREEMENT**

An Agreement between the City of Beachwood, Ohio ("Beachwood"), an Ohio Municipal Corporation located at 25325 Fairmount Boulevard, Beachwood, Ohio, 44122 and Real Alloy Recycling, Inc. ("Real Alloy"), with an office located at 28825 Science Park Drive, Suite 300, Beachwood, Ohio 44122 to enter into a Job Creation and Retention Incentive Grant Agreement ("JCRIGA") to promote economic development within the City of Beachwood and to assist Real Alloy in encouraging growth and the creation and retention of jobs and to further provide financial incentives to Real Alloy meets the criteria of this Job Creation and Retention Incentive Grant Program ("JCRIGP").

WHEREAS, Beachwood recognizes the importance of economic development and the significant role that economic development plays in providing excellent city services to its residents;

WHEREAS, Beachwood is uniquely situated to provide a business friendly environment for new and existing business within its municipal boundaries;

WHEREAS, Beachwood City Council has passed ordinance 2015- 102 authorizing the City to enter into an Agreement with Real Alloy for job creation and retention;

WHEREAS, Real Alloy, desires to relocate operations within Beachwood, Ohio and retain 45 full-time jobs and create 32 new full-time jobs at the Beachwood location and said job retention and job creation qualifies for the JCRIGP.

NOW, THEREFORE, Beachwood and Real Alloy hereby agree to the following terms and conditions:

### **I. PURPOSE**

The purpose of this Agreement and attachments ("Application" attached as "Exhibit A") and, the Job Creation and Retention Incentive Grants Overview and Guidelines (hereafter "Guidelines" attached as "Exhibit B") both incorporated by reference as if fully rewritten, are to set forth the terms and conditions to govern the JCRIGP as entered into between Beachwood and Real Alloy. Real Alloy, while in good standing with the terms and conditions of this Agreement and the terms and conditions of JCRIGP, and when in compliance with the minimum job retention and creation projections or additional payroll generation, will be eligible for an annual grant payment ("Grant") based on a percentage of the annual City income taxes generated by retained and new full-time jobs or new full-time equivalent jobs created in Beachwood. Real Alloy will only be eligible for an annual grant payment when it has achieved a Complying Year as defined herein, and maintained agreed employment levels or payroll levels for that grant year.

## **JOB CREATION AND RETENTION INCENTIVE GRANT AGREEMENT**

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WHEREAS, Beachwood recognizes the importance of economic development and the significant role that economic development plays in providing excellent city services to its residents;

WHEREAS, Beachwood is uniquely situated to provide a business friendly environment for new and existing business within its municipal boundaries;

WHEREAS, Beachwood City Council has passed ordinance 2015- 102 authorizing the City to enter into an Agreement with Real Alloy for job creation and retention;

WHEREAS, Real Alloy, desires to relocate operations within Beachwood, Ohio and retain 45 full-time jobs and create 32 new full-time jobs at the Beachwood location and said job retention and job creation qualifies for the JCRIGP.

NOW, THEREFORE, Beachwood and Real Alloy hereby agree to the following terms and conditions:

### **I. PURPOSE**

The purpose of this Agreement and attachments ("Application" attached as "Exhibit A") and, the Job Creation and Retention Incentive Grants Overview and Guidelines (hereafter "Guidelines" attached as "Exhibit B") both incorporated by reference as if fully rewritten, are to set forth the terms and conditions to govern the JCRIGP as entered into between Beachwood and Real Alloy. Real Alloy, while in good standing with the terms and conditions of this Agreement and the terms and conditions of JCRIGP, and when in compliance with the minimum job retention and creation projections or additional payroll generation, will be eligible for an annual grant payment ("Grant") based on a percentage of the annual City income taxes generated by retained and new full-time jobs or new full-time equivalent jobs created in Beachwood. Real Alloy will only be eligible for an annual grant payment when it has achieved a Complying Year as defined herein, and maintained agreed employment levels or payroll levels for that grant year.

For purposes of this Agreement “Full-Time” and “Full-Time Equivalent” means at least 2080 hours of work per year, per employee. “Full-Time” or “Full-Time Equivalent” may include hourly, salary and commissioned employees. For purposes of this Agreement, “retained jobs” means at least 45 full-time jobs as defined and verified on January 1, 2016. For purposes of this Agreement “New Jobs” means jobs that were not previously located in Beachwood and does not include returns to work from layoff, furlough, return from termination of any kind or return from sick leave or other medical leave of absence, any preexisting form of employment with Real Alloy in Beachwood, independent contractor positions, retail jobs, food service jobs, consultants or temporary workers. “Additional Payroll” shall mean payroll over and above the payroll of Real Alloy in the preceding tax year. A “Complying Year” for grant qualification under this Agreement shall mean a year where Real Alloy has met at least Seventy Five percent (75%) of its job retention and job creation committed to under this Agreement and Application.

## **II. TERMS AND TERMINATION**

In accordance with its Application and Guidelines, this Agreement shall be in effect from January 1, 2016 to December 31, 2020. Beachwood may terminate this Agreement for noncompliance if Real Alloy does not proceed with the project within one year of executing this Agreement, or within a one year extension of the Agreement if applicable, or if the company has three consecutive Non-Complying Years.

## **III. NEW EMPLOYMENT OR PAYROLL REQUIRED BY REAL ALLOY**

Real Alloy shall retain at least 45 full-time jobs or full-time equivalent jobs at its Beachwood location and shall create at least 32 new full-time jobs within **five years of execution of this Agreement** at its Beachwood location (See “Application”). If Real Alloy operates multiple facilities within Beachwood and for purposes of job retention, new job creation or new payroll generation, Real Alloy may aggregate its new or additional employment and payroll from all of its Beachwood operations.

## **IV. GRANT**

When Real Alloy has satisfied the terms of this Agreement by having a Complying Year under the terms of this Ordinance 2015-102, this Agreement, Guidelines and JCRIGP Application, Real Alloy shall be eligible for a grant from Beachwood representing an income tax refund from Beachwood for each year that Real Alloy remains in compliance with the terms herein. Said grant shall be limited to and correspond with **Ordinance 2015-102, the schedule set forth in JCRIGP Application and Guidelines terms attached hereto.**

Complying Year: In order to qualify for a grant in any given calendar year during the term of this Agreement, Real Alloy must report employment of at least Seventy-Five Percent (75%) of its job creation and job retention commitments for that calendar year as set forth in its Application.

This includes retained full-time jobs or full-time equivalent jobs and new full-time jobs and full-time equivalent job commitments.

Beachwood will award Real Alloy a yearly grant at a maximum rate of Fifty Percent (50%) of income taxes paid by Real Alloy based on the retained full-time and new full-time jobs based in Beachwood for Complying Years and subject to offset for less than fully Complying Years in accordance with the schedule set forth in the terms of the Guidelines.

Grant awards to Real Alloy shall only be based on income taxes paid to and retained by Beachwood and shall not be based on any portion of taxes that Beachwood is required by law or contract to share with the State of Ohio, any other political subdivision of the State of Ohio or any other taxing district of the State of Ohio.

This grant is non-assignable without the express written consent of the City of Beachwood. Said consent may only be given via the legislative action of Beachwood City Council.

Beachwood City Council has passed, by an affirmative vote of its members, Ordinance 2015-102 which was signed by the Beachwood Mayor on July 14, 2015 authorizing the Mayor to enter into this Agreement. This Grant may not be amended without the authorization of City Council and the Mayor of the City of Beachwood.

#### **V. ANNUAL REPORTING AND VERIFICATION**

At least once per year under this Agreement or upon request of Beachwood and upon forms provided by Beachwood, Real Alloy shall submit an Annual JCRIGP ("Report"). The Report shall document new and existing employment and yearly payroll as attained by Real Alloy.

Beachwood shall also have the right to verify all data in the report by reviewing and inspecting payroll records of Real Alloy. Beachwood and Real Alloy will cooperate to effectuate said review and inspection of payroll reports within thirty days (30) of Beachwood's request for the same. Failure by Real Alloy to comply with this paragraph shall constitute a breach of this Agreement and may lead to termination of this Agreement and enforcement of the Claw Back provision contained in Paragraph Six herein and other applicable remedies.

#### **VI. CLAW BACK**

Real Alloy shall return all grant monies that it previously received from Beachwood, plus interest at the statutory rate, if it should cease operations in Beachwood for any reason, and moves its operations outside of the corporate boundaries of Beachwood prior to December 31, 2022.

If the conditions of this paragraph are met and Real Alloy moves its operations from Beachwood, Real Alloy shall return all grant monies received by Real Alloy from Beachwood, plus interest at the statutory rate to Beachwood within thirty days (30) of written request by Beachwood. If Real Alloy fails to return said monies to Beachwood, then Beachwood may commence legal action in any court holding jurisdiction over this matter. If Beachwood initiates legal action, then Real Alloy shall be responsible for, in addition to any award or judgment, attorney fees (including retention of outside counsel by Beachwood), courts costs and other court related expenses incurred by Beachwood in the prosecution of its claim.

“Interest at the statutory rate as” as described in this section means the federal short-term rate, rounded to the nearest whole number percent, plus five percent.

## **VI. AMENDMENTS**

This Agreement may be amended only by the written consent of both Beachwood and Real Alloy. Any amendment by Beachwood shall require the authorization of Beachwood City Council via legislation with approval of said legislation by the Mayor of the City of Beachwood.

## **VII. INTERPRETATION OF THIS AGREEMENT**

This Agreement, attachments and Beachwood Ordinance 2015-102 shall be read and interpreted to complement and harmonize with each other. If a conflict between the Agreement, Guidelines and Application exist, the more specific provisions shall control. This Agreement shall be interpreted in accordance with the laws of the State of Ohio.

## **VIII. JURISDICTION**

Any cause of action brought to enforce the terms and condition of this Agreement or any of its attachments may only be brought in a court of competent jurisdiction within the State of Ohio.

## **IX. NOTICES**

Required notices under this agreement shall be sent to:

For the City:

Mr. James Doult  
Economic Development Director  
25325 Fairmount Boulevard  
Beachwood, Ohio 44122

And

Brian A. Reali  
Law Director of the City of Beachwood  
25325 Fairmount Boulevard  
Beachwood, Ohio 44122

For the Company  
Terrance J. Hogan  
President  
Real Alloy Recycling, Inc.  
25825 Science Park Drive, Suite 300  
Beachwood, Ohio 44122

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**BEACHWOOD, OHIO**  
**("BEACHWOOD")**

**Real Alloy Recycling, Inc.**

BY: Merle S. Gorden  
Mayor Merle S. Gorden

BY: Terrance J. Hogan  
Terrance J. Hogan, President  
12/22/15

Approved as to form:

BAR  
City Law Department  
Brian A. Reali, Law Director  
25325 Fairmount Boulevard  
Beachwood, Ohio 44122  
(216) 595-5462

**EXHIBIT A**  
**GUIDELINES**

## APPLICATION



## Job Retention and Creation Incentive Grant Application

The following is an application to the City of Beachwood, Ohio located in the County of Cuyahoga by Real Alloy Recycling, Inc., hereinafter referred to as the Enterprise.  
(Enterprise name)

### I. General Information

Applicant:

Enterprise Name Real Alloy Recycling, Inc.

Home Office Street Address 15301 Ventura Blvd, Suite 400

City Sherman Oaks State CA Zip code 91403

Local Site Street Address 25825 Science Park Drive, Ste. 300

City Beachwood State OH Zip code 44122

Contact Person Name Terry Hogan

Telephone 216-910-3620 Fax 216-916-4742

Email terry.hogan@realalloy.com

Primary business activity of the enterprise

Aluminum Recycling

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

NAICS Code # 331314 NAICS Code # \_\_\_\_\_

NAICS Code # \_\_\_\_\_ NAICS Code # \_\_\_\_\_

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

Corporation

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

Terrance J. Hogan President

Michael J. Hobey Vice President & Treasurer

Cathryn D. Griffin Vice President & Secretary

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 X

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

Yes \_\_\_\_\_ No X

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 X

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).

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## II. Financial Information

Federal Identification Number (FEIN) 27-1539798

### A. Enterprise's current employment level in Beachwood:

Current total Full-time Permanent Employment: 45 At February 27, 2015 Sale Date

Current total Part-time Permanent Employment: 0

### B. Current Payroll:

Current Payroll Full-time Permanent Employment: \$4,559,000 At February 27, 2015 Sale Date

Current Payroll Part-time Permanent Employment: 0

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

Year 1	Year 2	Year 3	Year 4	Year 5
<u>32</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

New Full-time Permanent Year 1: \$ 3,491,000

Year 2: \$ 0

Year 3: \$ 0

Year 4: \$ 0

Year 5: \$ 0

#### 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.

Terrance J. Hogan  
Printed Name

July 7, 2015  
Date

  
Signature

President  
Title

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

ADDENDUM TO THE JOB CREATION AND RETENTION INCENTIVE GRANT AGREEMENT  
BETWEEN THE CITY OF BEACHWOOD AND REAL ALLOY

THIS ADDENDUM IS made on this 20<sup>th</sup> day of June, 2016 by and between the city of Beachwood, Ohio ("Beachwood") and Real Alloy Recycling, Inc. ("Real Alloy").

WHEREAS, Beachwood City Council has passed Ordinance 2015-102 authorizing the City to enter into a Job Creation and Retention Incentive Agreement ("Agreement") with Real Alloy; and

WHEREAS, Real Alloy and Beachwood entered into the Agreement on December 22, 2015; and

WHEREAS, Ordinance 2015-102 authorized an occupancy grant to Real Alloy, but the Agreement failed to detail that occupancy grant; and

WHEREAS, the parties wish to correct that oversight.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Real Alloy and Beachwood hereby amend the Agreement by adding the following terms:

1. Upon re-locating its business operation within the jurisdictional boundaries of the City of Beachwood, Real Alloy shall receive a one-time Occupancy Grant of Fifty Thousand Dollars and No/Cents (\$50,000.00). The Claw Back provisions of Section VI of the Agreement shall apply to the Occupancy Grant.

2. All grant monies provided pursuant to the Agreement shall be paid from Beachwood's non-tax revenues.

3. All other terms of the Agreement that have not been specifically amended herein shall remain in full force and effect.

IN WITNESS WHEREOF, each party, by its duly authorized representative has executed this contract effective as of the day and year first written above.

CITY OF BEACHWOOD, OHIO

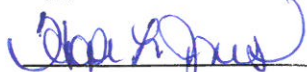
By Merle S. Gorden  
Merle S. Gorden, Mayor  
Date: 6-29-16

REAL ALLOY RECYCLING, INC.

By Terrance J. Hogan  
Terrance J. Hogan, President  
Date: 6/28/16

*CERTIFICATE OF THE DIRECTOR OF LAW*

Approved as to form.



Hope L. Jones

Assistant Director of Law

Dated: 10.28.16

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A JOB CREATION AND RETENTION INCENTIVE GRANT AGREEMENT WITH REAL ALLOY RECYCLING, INC., AND DECLARING THIS TO BE AN URGENT MEASURE

WHEREAS, the City of Beachwood continues to pursue new and efficient economic development strategies that are fiscally responsible, support the creation and retention of new jobs, and grow the City's economic tax base; and

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, in order to create and retain jobs, the Economic Development Director has recommended the Program to provide incentives to businesses to remain in the City of Beachwood and retain jobs within the City of Beachwood without utilizing tax revenues or impacting negatively upon the local school system; and

WHEREAS, Real Alloy Recycling, Inc., ("Real Alloy") currently located at 25825 Science Park Drive, Suite 300, Beachwood, Ohio; and

WHEREAS, Real Alloy has expressed an interest in participating in economic development programs and incentives offered by the City; and

WHEREAS, Real Alloy has committed to continue operations within the City of Beachwood's corporate boundaries; and

WHEREAS, such grant agreement provides for a reimbursable annual grant payment equal to no more than Fifty percent (50%) of the annual payroll taxes paid to the City of Beachwood during the duration of the agreement beginning January 1, 2016 through December 31, 2020; and

WHEREAS, Real Alloy currently has 45 full time jobs in the City of Beachwood with an

ORDINANCE NO. 2015-102

estimated payroll of \$4,559,000.00 and will be creating 32 new full time jobs in the City of Beachwood in 2016 with an estimated payroll of \$3,491,000.00.

WHEREAS, the City of Beachwood is offering a one-time Occupancy Grant of Fifty Thousand Dollars and No/Cents (\$50,000.00); and

WHEREAS, the grant amount will be paid from the City's non-tax revenues; and

WHEREAS, this Council desires to authorize the Mayor to enter into a Job Creation and Retention Incentive Grant Agreement with Real Alloy subject to the approval of the Law Director.

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

Section 1: The Mayor is hereby authorized to enter into a Job Creation and Retention Incentive Grant Agreement with Real Alloy subject to the approval of the Law Director and in accordance with the terms of the Application and Program Description.

Section 2: 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 Codified Ordinances of the City.

Section 3: This Ordinance is declared to be an urgent measure which is immediately necessary for the public peace, health or safety or the efficient operation of the City; such necessity existing by the reason of the immediate necessity of authorizing a grant agreement that will provide for the creation of new jobs within the City and, thereby, enhance the City's tax revenues.

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 13<sup>th</sup> day of July, 2015, and presented to the Mayor for approval or rejection in accordance with Article III, Section 8 of the Charter on the 14<sup>th</sup> day of July, 2015.

Karen M. Narolaxec  
Clerk

Approval: I have approved this legislation this 14<sup>th</sup> day of July, 2015, and filed it with the Clerk.

Maile S. Gorden  
Mayor

## BEACHWOOD OHIO

### JOB CREATION AND RETENTION INCENTIVE GRANTS OVERVIEW AND GUIDELINES

Job Creation and Retention Incentive Grants (JCRIG) offer incentives to eligible businesses that are retaining existing Beachwood-based full time or full time equivalent jobs or creating new, full time or full time equivalent jobs in Beachwood. The City can offer an eligible company an annual grant payment based on a percentage of the annual payroll withholding taxes generated by full time Beachwood-based jobs that are retained or full time jobs that are new to the City of Beachwood.

- The JCRIG will be structured as a grant (refund) based upon the retention or creation of new full time or full time equivalent jobs in the City of Beachwood.
- Each grant must be approved by City Council and the Mayor.
- Grants are based upon a percentage of the payroll tax withheld for eligible jobs that are retained or new jobs that are created as a result of an approved project (see **Grant Guidelines** below).
- In order to be eligible for a Job Retention Grant, a Beachwood-based business must commit to retaining full time or full time equivalent jobs with an annual payroll of at least \$1 million.
- In order to be eligible for Job Creation Grant, a Beachwood-based business or a business new to Beachwood must, at a minimum, add new annual payroll of \$1,000,000 within a 3 year period.
- Independent contractor positions are not eligible.
- Retail and food service businesses are not eligible.

#### Grant Guidelines:

The maximum term of a grant will be 5 years and the maximum incentive rate will be 50%. All grants will be based on existing or new payroll projections according to the following schedule:

<u>Retained or New Payroll</u>	<u>Term of Grant</u>	<u>Suggested Incentive Rate</u>
\$1 million to \$3 million	3 years	30%
\$3 million to \$6 million	4 years	35%
\$6 million to \$8 million	4 years	40%
\$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 also 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 starting date for Year 1 job projections 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 Beachwood Development Department. City Council must approve any extensions.
- 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.

#### **Project Performance –**

Each year during the term of a grant the amount of the grant will be calculated based on the company's performance in meeting its payroll and employment projections for the previous calendar year.

Grants will be awarded annually according to the schedule below:

<b>% of Payroll Projections Met</b>	<b>% of Grant Awarded</b>
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%
> 75%	no grant for that year

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 Beachwood Development Department. A non-refundable application fee of \$750 in the form of a check made payable to the City of Beachwood shall be submitted with the application.

#### **Annual Reporting:**

- Upon the City's request and on forms provided by the City, companies must submit an annual Job Retention or Job Creation report documenting employment and payroll for the previous calendar year. This report will be required annually during each year that a grant is being awarded.
- The annual performance reports will be reviewed by the Director of Development and the Finance Director.
- An annual compliance report will be prepared by the Director of Development and presented to the Mayor and City Council.

#### **Claw back provision:**

Each approved project will include an Agreement with a binding claw back provision requiring repayment of grant moneys if the company leaves the City during the term of the Agreement.

**Terminating Agreement:**

1. 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.
2. 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.



## Job Retention and Creation Incentive Grant Application

The following is an application to the City of Beachwood, Ohio located in the County of Cuyahoga by Real Alloy Recycling, Inc, hereinafter referred to as the Enterprise.  
(Enterprise name)

### I. General Information

Applicant:

Enterprise Name Real Alloy Recycling, Inc.

Home Office Street Address 15301 Ventura Blvd, Suite 400

City Sherman Oaks State CA Zip code 91403

Local Site Street Address 25825 Science Park Drive, Ste. 300

City Beachwood State OH Zip code 44122

Contact Person Name Terry Hogan

Telephone 216-910-3620 Fax 216-916-4742

Email terry.hogan@realalloy.com

Primary business activity of the enterprise

Aluminum Recycling

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

NAICS Code # 331314 NAICS Code # \_\_\_\_\_

NAICS Code # \_\_\_\_\_ NAICS Code # \_\_\_\_\_

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

Corporation

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

Terrance J. Hogan	President
Michael J. Hobey	Vice President & Treasurer
Cathryn D. Griffin	Vice President & Secretary

**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 X

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

Yes \_\_\_\_\_ No X

**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 X

**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).**

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## II. Financial Information

Federal Identification Number (FEIN) 27-1539798

### A. Enterprise's current employment level in Beachwood:

Current total Full-time Permanent Employment: 45 At February 27, 2015 Sale Date

Current total Part-time Permanent Employment: 0

### B. Current Payroll:

Current Payroll Full-time Permanent Employment: \$4,559,000 At February 27, 2015 Sale Date

Current Payroll Part-time Permanent Employment: 0

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

Year 1	Year 2	Year 3	Year 4	Year 5
<u>32</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

New Full-time Permanent Year 1: \$ 3,491,000

Year 2: \$ 0

Year 3: \$ 0

Year 4: \$ 0

Year 5: \$ 0

#### 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.

Terrance J. Hogan

Printed Name

July 7, 2015

Date

  
Signature

President

Title

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

# CITY OF *Beachwood*

25325 FAIRMOUNT BOULEVARD • BEACHWOOD, OHIO 44122

MAYOR  
MERLE S. GORDEN

July 1, 2015

TO: Mayor Merle S. Gorden  
FROM: Jim Douth  
SUBJECT: Agenda Item for July 13, 2015 City Council Meeting

Please add the Real Alloy Job Retention and Creation Incentive Proposal to the July 13, 2015 City Council agenda. The incentive proposal is the result of numerous meetings with Real Alloy management and their consultants. The proposal will incentivize the retention of 45 full time Beachwood-based jobs and the creation of 32 new full time jobs over two years. The proposal also includes a one-time \$50,000 occupancy grant to be distributed to Real Alloy when the company takes occupancy of a new Beachwood location.

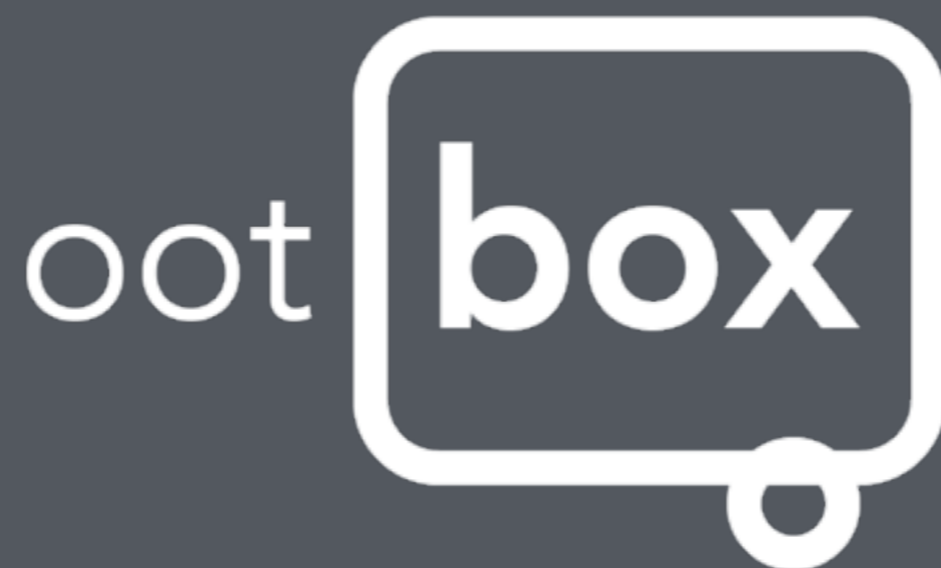
APPROVED BY MAYOR FOR  
NEXT COUNCIL AGENDA

SIGNATURE

DATE

*Merle S. Gorden*  
7/2/15

1-2 cc: SAD



Overview:  
**Neighborhood**

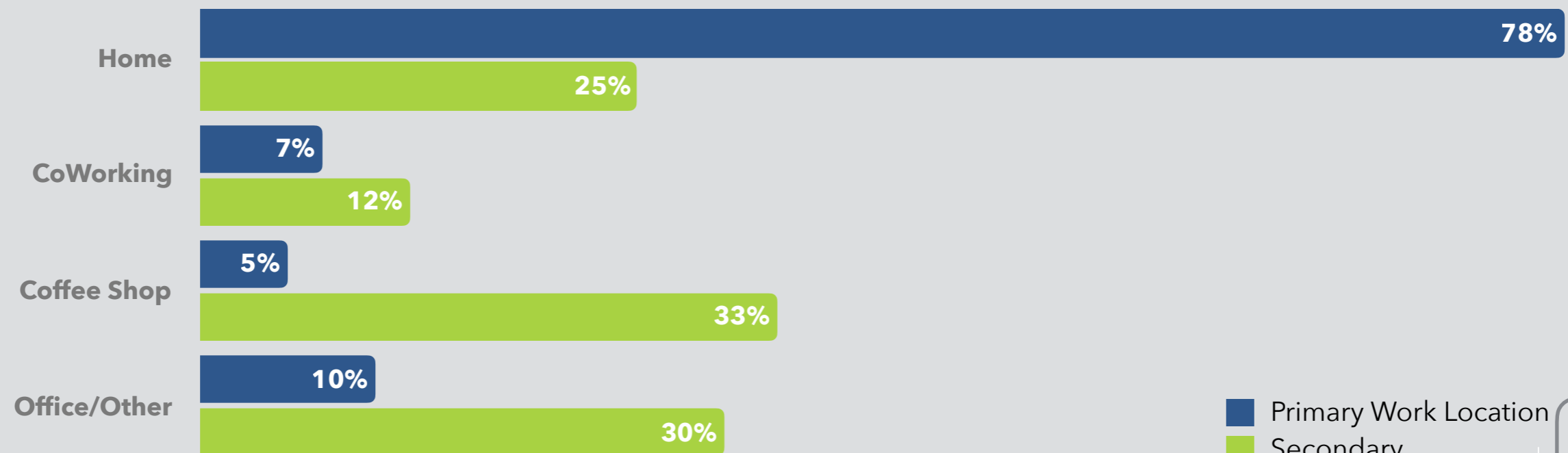
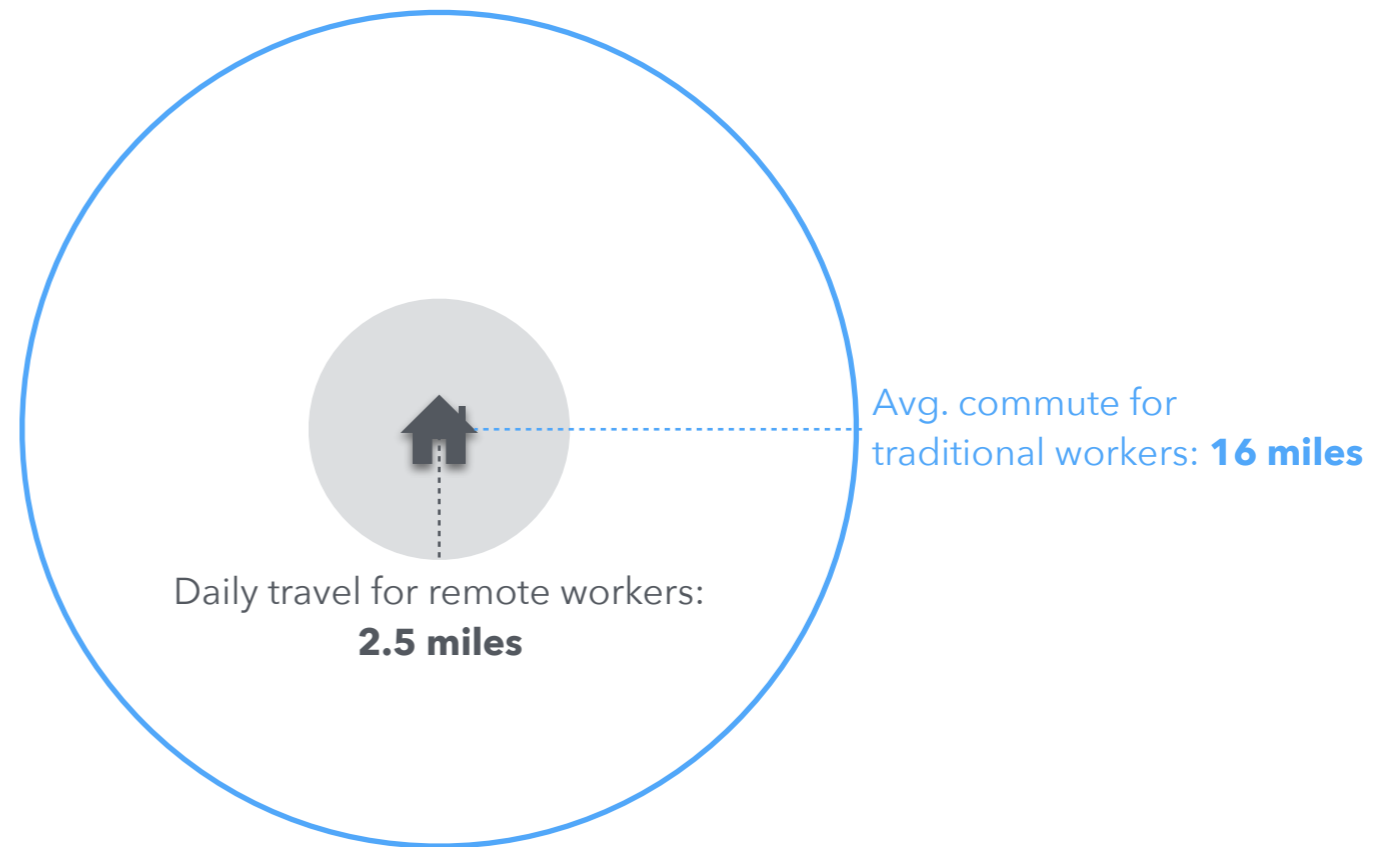
**Within 10 years, mobile workers will account for a majority of the US workforce.**

	Full-Time Remote Workers	Freelancers	Traditional Workers	Size of labor force
2018	3.9M (3%)	44M (35%)	78M (62%)	125M
2030	61M (38%)	80M (50%)	20M (12%)	160M

# Work can happen anywhere.

## Keep it local.

**Mobile workers use 2 - 3 locations within the "Home Range"**



Primary Work Location  
Secondary



# Resources are **lacking** on the Range

## Technology

Reliable internet, video conferencing, work space

## Collaboration Space

Physical space to meet with others in person

## Privacy + Quiet

Conditions for serious work/meetings without others overhearing

## Corporate Connection

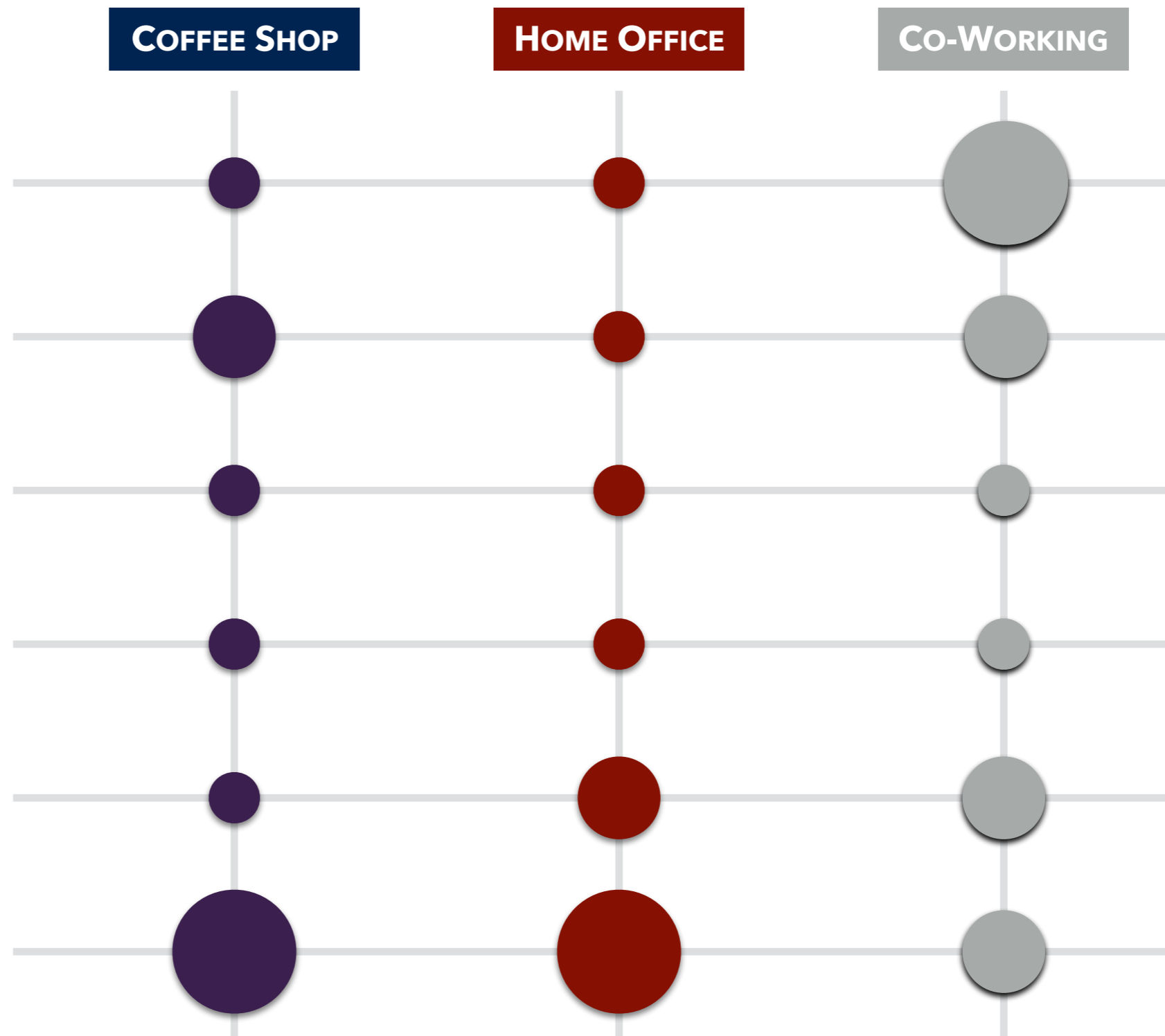
How the space contributes to employee's corp. culture connection


## Consistent Experience

Likelihood for surprises which affect productivity

## Value

Money's worth





*“I’ve been thinking a lot recently that there has to be a better option among home, Starbucks and **not** WeWork.”*

— Anonymous Market Research Respondent



# Welcome to the Neighborhoot

For people working outside the traditional office, **the Neighborhood** is a portable, safe and modern meeting-room-in-a-box packed with technology.



Private



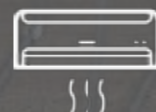
Secure WiFi



Meeting Tools



Fits 3-4



Comfortable



Close to Home





Summer 2019:

## **“Work(ing) in Progress”**

- Deploying prototypes to field test various use cases
- Short-term pilot programs
- Local collaboration
- Generate user feedback

Careers

# Vermont will pay people \$10,000 to move there and work remotely

by Kathryn Vasel @KathrynVasel

June 1, 2018: 1:13 AM ET

Recommend 1K



Nextgov



CYBERSECURITY

EMERGING TECH

ARTIFICIAL INTELLIGENCE

IT MODERNIZATION

TRENDING // SHUTDOWN // BIOMETRICS // CLOUD // CUSTOMER EXPERIENCE // PODCAST

## Remote Workers Can Get a Cushy Apartment, Free Office Space, and \$10,000 –If they Move to Tulsa

## State senator wants to pay people to move to western Massachusetts

By: Monica Ricci

Posted: Feb 01, 2019 04:00 PM EST

Updated: Feb 01, 2019 05:32 PM EST



Video



Video



(WWLP) - State Senator Eric Lesser (D-Longmeadow) wants to pay people up to \$10,000 to move to western Massachusetts.



FEB 14, 2018

Quartz

The city wants to attract digital nomads.



**96% of employees support the idea of working outside more often, but 56% concerned about negative perception.**

**Indoor employees are 40% more likely to work outside if they have access to it.**

**Employers can boost job satisfaction by 19% by offering work space outside.**

# How It Works\*



## Must be a member to reserve a Neighborhood

- User profile and verification
- Safety and security
- Customer Service



## Simple, hourly pricing

- Accommodates groups of 3-4
- Reservations or ootBox concierge (initial phase) or online
- Additional charges for holding over etc.
- Subsidies available
- Revenue share with landlord/city



## Additional local on-demand services

- Collaborations with local partners to enhance the experience
- Food, coffee
- Win-win for local economy

\* TBD with collaboration partner



ROBBIE FRIEDMAN  
*Founder*

Robbie is the founder of Ootbox. After starting his career as a NYC attorney, he launched a software startup called Viewabill – a legal billing transparency product, for which he was named one of **LinkedIn's Next Wave** inductees. During Viewabill's successful exit in 2016, Robbie built himself an "Escape Pod" in his backyard as place where he could work in privacy, which would eventually prove to be instrumental in his conception of Ootbox.



ALLISON ZOFAN  
*Corporate Strategy*

Allison helps direct corporate strategy for OotBox, having advised global leaders of Corporate Real Estate across industries for the past 12 years as a Senior Director at Gartner. She works with heads of CRE to optimize their portfolios, implement new workplace strategies and structure their own internal teams for success. Specifically, Allison's areas of expertise include navigating benchmarking data to drive better business outcomes, tailoring communication to key stakeholders within the business and structuring their workplace initiatives to meet the needs of their employees.



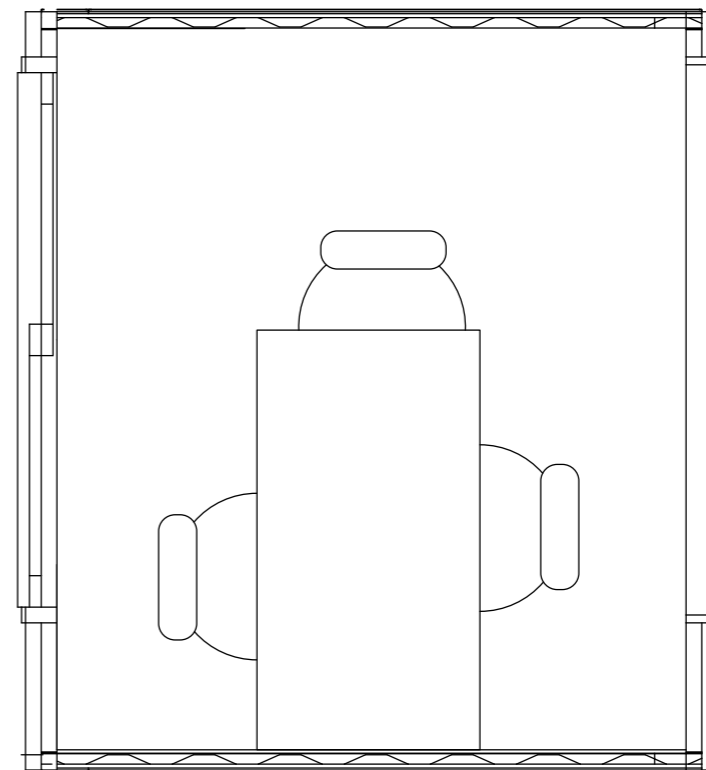
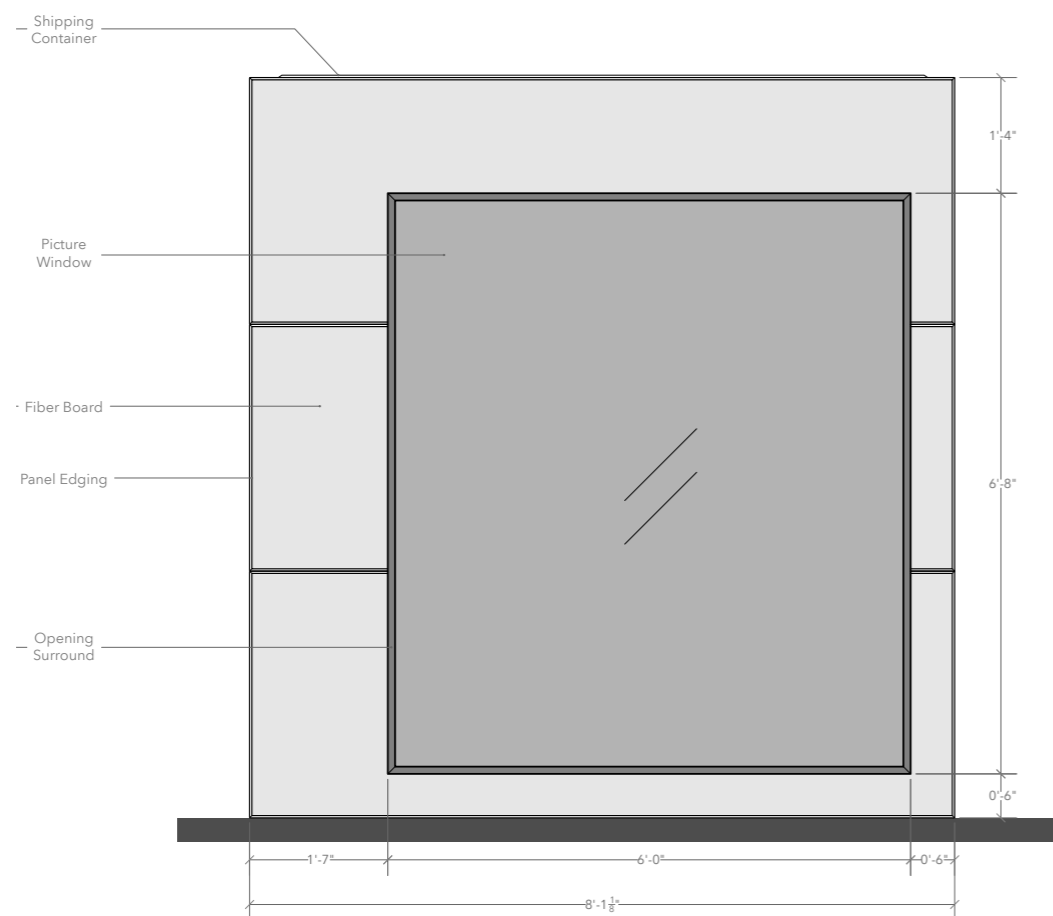
MICHAEL LORD  
*Government Relations*

Michael joined the Ootbox team after spending five years as Chief of Staff at the Ohio Treasurers' Office, managing legislative, public and communications efforts with a particular focus on streamlining and modernizing the agency. Prior to his time at the Ohio Treasurers' Office, Michael ran numerous successful political campaigns at both the local and state level and now helps Ootbox work with local governments and stakeholders.



BRUCE FARIS  
*Construction and Logistics*

Bruce is the Ootbox construction guru. Having served as a principal at NBBJ, Bruce has embraced the Tiny Home movement and can often be seen on HGTV with his company, Modern Tiny Living. He lives in a tiny home on a farm in Central Ohio and brings a wealth of construction knowledge and expertise to Ootbox.



## Power

All functionality can be powered by plugging into regular 20A outlet.



## Comfort

9000 BTu mini split with heat pump and wifi connectivity.



## Tech

Secured Wifi 4G/5G hotspot + teleconference hardware\*



## Productivity

Whiteboards and collaboration tools



## Furniture

2' x 4.5' bar-height meeting table + bench seating and outlets for four



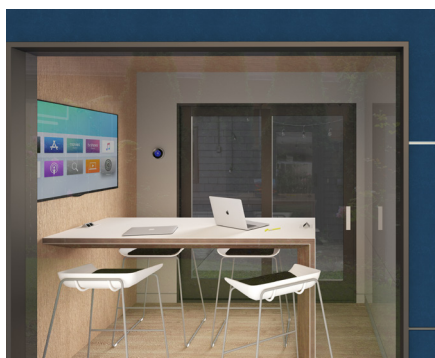
## Access

Online booking + smart lock system. Exterior security camera.

**WORK(ING) IN PROGRESS**  
**PARTNERSHIP PROGRAM**



## VISION



## WE BRING BETTER MEETING SPACES TO THE NEIGHBORHOOD

Within a few years, most of the US workforce will be working from “home,” which really means parks, coffee shops, libraries close to home, in addition to the home. **ootBox** provides internet-connected meeting-spaces-in-a-box right in the neighborhood. And without construction or a permanent structure.

Our product, the **Neighborhood**, uses an 8 ft x 10 ft shipping container as its primary structure, and is punctuated with huge storefront glass on one end and high-grade baltic birch plywood lining the entire interior.

It is light, simple and beautiful.

## WORK(ING) IN PROGRESS — SUMMER 2019

Designing the perfect space can be data-driven. And that’s what we’re doing this summer. By working with local partners to test our prototypes in the field, we are collaborating on ways to better engage communities and create unique work experiences.

We are also committed to testing in different types of environments and circumstances — for example, on a local Main Street, a university campus, and even a corporate HQ.

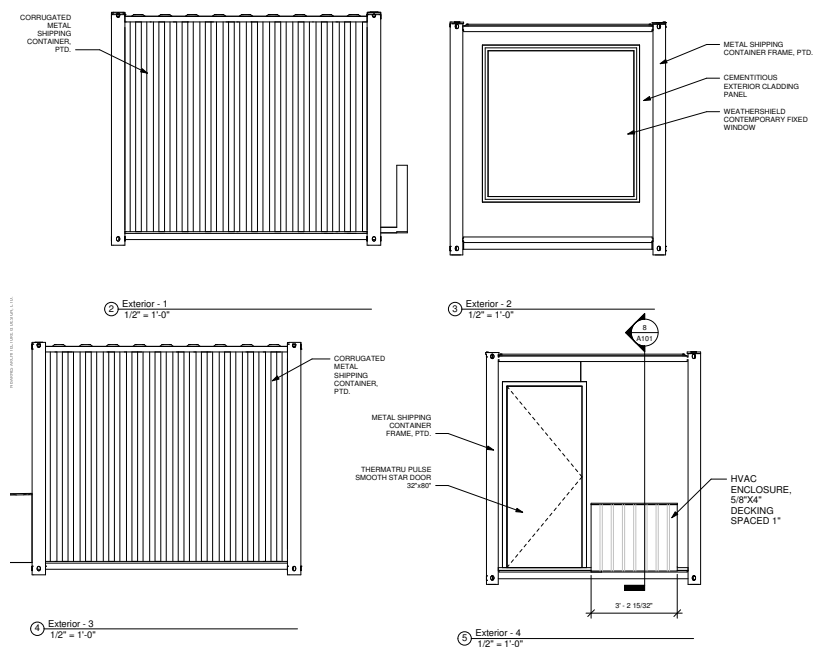
Installation is temporary and is expected to run from end of May — August/September.

Since this is a test period, there are also various business model options, depending on the particular partnership.

## PROJECT OVERVIEW



## TECHNICAL SPECS



### Footprint:

8' x 10'

1

### Height:

8' 6"

2

### HVAC:

9000 Btu Mini Split

3

### Electrical Service:

Standard 20 amp outlet

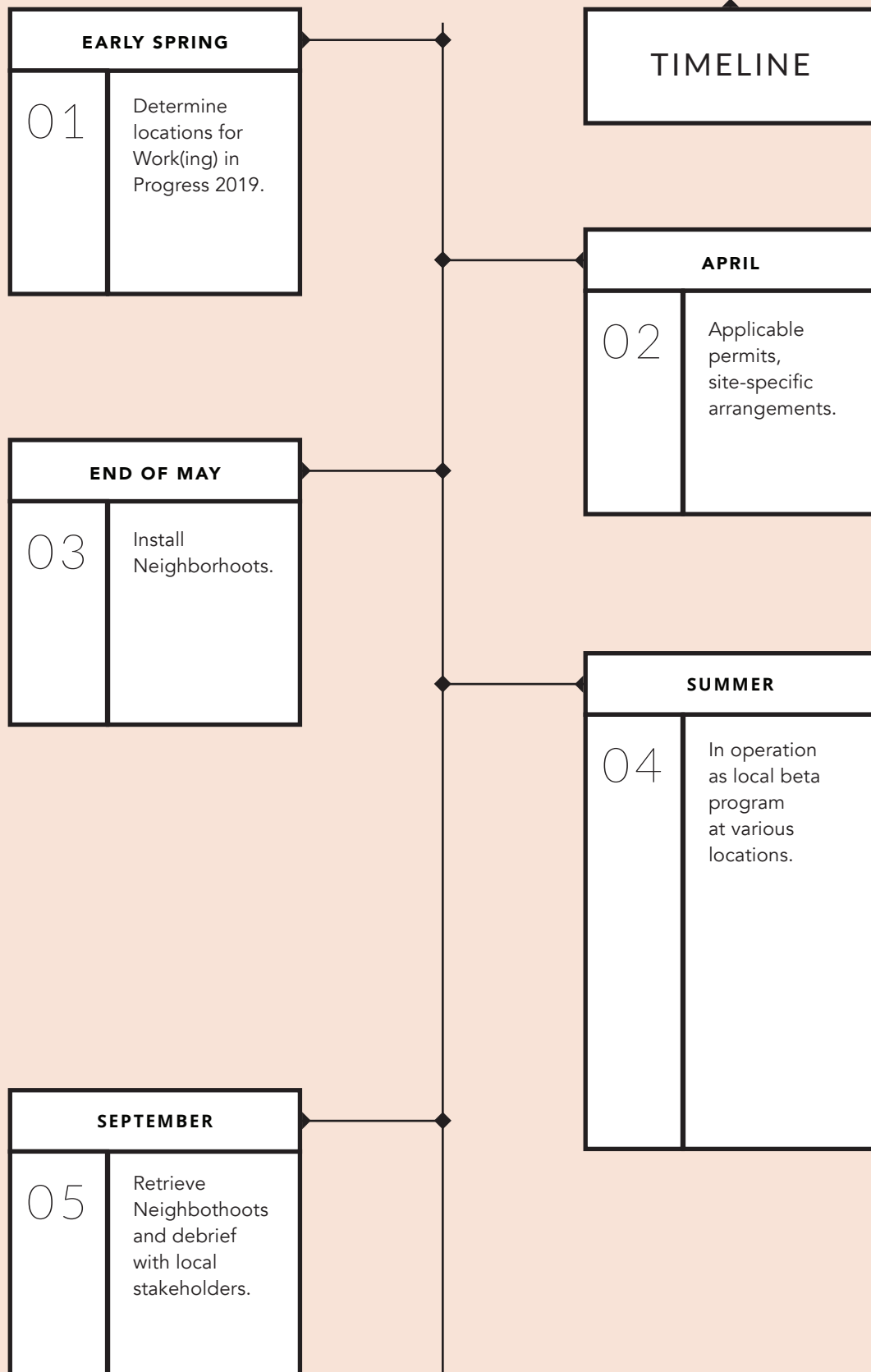
4

### Lighting:

Interior and Exterior LEDs

5

KEY  
STATS



## Code + Zoning

Neighborhoods are made from a 10-foot shipping container. It is not attached to a foundation and can be removed at any time. Small in size and temporary in nature mean Neighborhoods are not typically subject to building codes or zoning requirements.

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## Safety + Security

Neighborhoods are secured by keycode access with autolocking and two security cameras (one exterior, one interior\*). Large storefront window (tempered) provides uninhibited view into the space.

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## Space Reservation

During Work(ing) in Progress, reservations are likely to be controlled via phone, rather than self-service via app. This will provide better customer experience and minimize tech concerns. Users will be given unique keycode for reserved times.

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## Installation

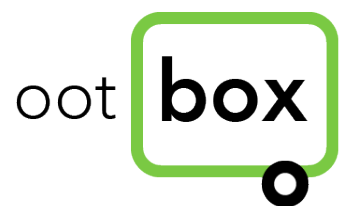
Neighborhoods don't require any particular surface preparation and can be placed on any flat surface. It is transported from a flatbed into position using a Mule, which ensures exact placement and very little disruption to the site around it.

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## Comfort

Our boxes are insulated to exceed the typical R-11 standard. They are heated and cooled with a near-silent 9000 BTu mini-split.

\* Optional - depending on type of deployment



FOR MORE INFO:

**Robbie Friedman**

**robbie@getootbox.com**