

RESOLUTION NO.: 2014-125

INTRODUCED BY: COUNCILPERSONS ASSEFF, WAGNER, WISNIESKI

REV. 1

A RESOLUTION
AUTHORIZING THE MAYOR TO ENTER INTO
A JOB RELOCATION AND CREATION GRANT AGREEMENT WITH
LONGBOW RESEARCH
TO ESTABLISH OPERATIONS WITHIN THE CITY

WHEREAS, on August 28, 2014, Longbow Research, 6000 Lombardo Center, Suite 500, Seven Hills, Ohio 44131, entered into a Letter of Understanding with the City to establish operations within the corporate boundaries of the City; and

WHEREAS, Longbow Research has agreed to maintain a minimum annual City payroll of \$6,500,000.00, with fifty (50) full-time employees, at a location within the corporate boundaries of the City, as set forth in the Letter of Understanding dated August 28, 2014, attached hereto as Exhibit A; and

WHEREAS, the City would like to relocate and assist in the creation of new employment opportunities at Longbow Research with a Job Relocation and Creation Grant, partially payable thirty (30) days after the date of issuance of the Certificate of Occupancy for the Property, located within the corporate boundaries of the City, and the remainder payable subsequent to that occupancy, as set forth in the Letter of Understanding dated August 28, 2014, attached hereto as Exhibit A; and

WHEREAS, the City would like to enter into a Job Relocation and Creation Grant Agreement with Longbow Research, in a form acceptable to the Law Director, in connection with the establishment of its operations within the corporate boundaries of the City, in terms and conditions substantially similar to those contained in the Letter of Understanding dated August 28, 2014, attached hereto as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Independence, State of Ohio, that:

Section 1. The Mayor is hereby authorized and directed to enter into a Job Relocation and Creation Grant Agreement with Longbow Research, 6000 Lombardo Center, Suite 500, Seven Hills, Ohio 44131, in a form acceptable to the Law Director, to establish operations within the corporate boundaries of the City, in terms and conditions substantially similar to those contained in the Letter of Understanding dated August 28, 2014, attached hereto as Exhibit A.

Section 2. The Council hereby approves a Job Relocation and Creation Grant to Longbow Research, 6000 Lombardo Center, Suite 500, Seven Hills, Ohio 44131, in a form acceptable to the Law Director, in connection with the establishment of its operations within the corporate boundaries of the City, in terms and conditions substantially similar to those contained in the Letter of Understanding dated August 28, 2014, attached hereto as Exhibit A.

Section 3. This Resolution provides for the usual and ordinary operation of the Economic Development Department. Wherefore, this Resolution shall take effect and be in force at the earliest time allowed by law.

Introduced: September 9, 2014

First Reading: September 9, 2014

Passed: SEPTEMBER 9, 2014



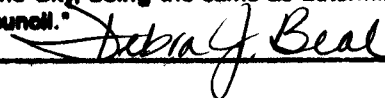
Gregory P. Kurtz, Mayor

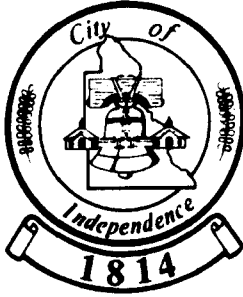
Attest:


Debra J. Beal, Clerk of Council

CERTIFICATE OF POSTING

"I, the undersigned, Clerk of the City of Independence, Ohio, hereby certify that the foregoing R2014-125 was posted on the 10TH day of SEPTEMBER 2014 and for the period of fifteen days thereafter, by duly posting true copies thereof in three of the most public places within the City, being the same as determined and directed by Council."


CLERK



City of Independence, Ohio

"THE HEART OF CUYAHOGA COUNTY"
6800 BRECKSVILLE ROAD INDEPENDENCE, OHIO 44131

(216) 524-4131

MEMORANDUM

TO: Mayor Kurtz / City Council

FROM: Jeremy Rowan
Economic Development Director

DATE: August 28, 2014

RE: **Relocation and Job Creation Grant for Longbow Research**

Longbow Research (Longbow) currently employs 50 full-time employees with a payroll of \$6,500,000 at an office location in the City of Seven Hills. Longbow is a well-known equity research firm that publishes survey, company and industry reports for investors. The firm also has divisions that focus on trading and sales.

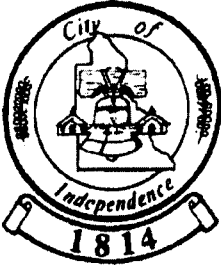
Longbow's current lease in Seven Hills expires in early 2015. Over the past few months, the firm has been considering lease options in Seven Hills and Independence. Longbow is currently considering the lease of 13,000 square feet of office space in the Park Center complex on Oak Tree Boulevard for a term of 12 years.

Longbow has approximately \$330,000 of relocation costs (furniture, generator, moving costs, etc.) to move into new office space. For the firm to relocate into Independence, it needs for the relocation costs to be nearly revenue neutral so as not to have a direct negative impact on the required capital reserves for the firm's trading operations.

In support of the Longbow's relocation, I am recommending the City offer the firm a Relocation and Job Creation Grant of \$285,000. The first payment of \$200,000 will be payable 30 days after Longbow is issued a Certificate of Occupancy on 13,000 square feet of office space in Independence. The remaining \$85,000 payment will be granted at the end of the first calendar year of operating in the City. The City and company commitments are outlined in the attached Letter of Understanding.

I am requesting legislation be prepared for the September Council meeting authorizing the Mayor to enter into a Relocation and Job Creation Grant with Longbow Research for an amount not to exceed \$285,000.

Company representatives and I will be available at the Council Caucus to answer any questions.



City of Independence, Ohio

"THE HEART OF CUYAHOGA COUNTY"
6800 BRECKSVILLE ROAD INDEPENDENCE, OHIO 44131

(216) 524-4131

August 28, 2014

Matt Griswold
CFO/COO
Longbow Research
6000 Lombardo Center, Suite 500
Seven Hills, Ohio 44131

Dear Mr. Griswold:

I am pleased to learn of Longbow Research's ("Longbow") possible relocation into 13,000 sf of office space within the City of Independence ("City"). Attracting companies such as Longbow is very important to the City, as it contributes to the overall vitality of the local economy and quality of life in the community. In support of Longbow's possible relocation, the City can offer the assistance outlined below.

If the terms contained in this non-binding letter are acceptable, it will form the basis for an Agreement between Longbow and the City. The Agreement will outline the conditions under which the City will assist your company in achieving its relocation plans. Please note that the Agreement is subject to approval by City Council.

Longbow Research's Commitment: Longbow will relocate its operations and workforce to a 13,000 sf office location within the corporate boundaries of the City for a lease term of not less than 12 years. Longbow commits to basing a minimum of 50 full-time employees within the corporate boundaries of the City of Independence with an annual payroll of not less than \$6,500,000. If Longbow ceases operations within the corporate boundaries of the City for any reason, or fails to annually pay the City at least \$130,000 through the payroll withholding taxes of its employees in any of the first 6 years of the lease, Longbow agrees to immediately pay the difference to the City in an amount equal to the difference between the actual amount of payroll withholding taxes paid by Longbow to the City for that calendar tax year and \$130,000. This obligation will also be binding on any of Longbow's successors or assigns.

City's Commitment: The City will provide Longbow a Relocation and Job Creation Grant with a value of \$285,000. The first payment of \$200,000 will be provided within 30 days from the date a Certificate of Occupancy is issued for 13,000 sf of office space within the corporate boundaries of the City provided 50 full-time employees with a \$6,500,000 annual payroll have relocated during that time. The remaining \$85,000 payment will be granted at the end of the first

August 28, 2014
Matt Griswold
CFO/COO
Longbow Research
Page 2

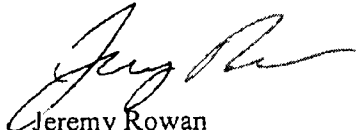
calendar year of operating within the corporate boundaries of the City if employment and payroll commitments have been achieved and all municipal income taxes have been paid.

This represents the material conditions under which the City will support Longbow's relocation. The City requests a signature below to serve as a mutual understanding concerning these conditions. Upon return of this letter, an Agreement will be prepared as outlined above, for approval by the City Council. In the event that this letter has not been executed and returned to this office within 30 days, the above offer is automatically rescinded.

I appreciate the desire of Longbow to relocate its operations within the City. Longbow will be a welcome addition to the City's impressive list of corporate citizens. Please feel free to contact me should you have any questions or need additional information.


Sincerely,

CITY OF INDEPENDENCE


Jeremy Rowan
Economic Development Director

ACCEPTANCE BY:

Longbow Research



Matt Griswold, Longbow Research

8-29-14

Date