



AGENDA
CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING
COMMITTEE MEETING
MONDAY, APRIL 3, 2017
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
3:00 PM

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT RELATED TO THE AGENDA**
- 4. APPROVAL OF MINUTES FROM THE FEBRUARY 23, 2017 MEETING**
- 5. MATTERS REFERRED TO COMMITTEE**
 - a) R2017-0063: A Resolution authorizing an Economic Development Fund Special Large Scale Attraction Forgivable Loan in the amount not-to-exceed \$480,000.00 to 7signal Solutions, Inc. for the benefit of a project located at 6155 Rockside Road in the City of Independence; authorizing the County Executive and/or Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.
- 6. MISCELLANEOUS BUSINESS**
- 7. OTHER PUBLIC COMMENT**
- 8. ADJOURNMENT**

**Complimentary parking for the public is available in the attached garage at 900 Prospect. A skywalk extends from the garage to provide additional entry to the Council Chambers from the 5th floor parking level of the garage. Please see the Clerk to obtain a complimentary parking pass.*

***Council Chambers is equipped with a hearing assistance system. If needed, please see the Clerk to obtain a receiver.*



MINUTES

**CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING
COMMITTEE MEETING
THURSDAY, FEBRUARY 23, 2017
CUYAHOGA COUNTY ADMINISTRATIVE HEADQUARTERS
C. ELLEN CONNALLY COUNCIL CHAMBERS – 4TH FLOOR
3:00 PM**

1. CALL TO ORDER

Chairman Schron called the meeting to order at 3:04 p.m.

2. ROLL CALL

Mr. Schron asked Assistant Deputy Clerk Culek to call the roll. Committee members Schron, Hairston, Tuma and Baker were in attendance and a quorum was determined. Committee member Simon was absent from the meeting. Councilmember Miller was also in attendance.

3. PUBLIC COMMENT RELATED TO THE AGENDA

There were no public comments given.

4. APPROVAL OF MINUTES FROM THE FEBRUARY 13, 2017 MEETING

A motion was made by Mr. Schron, seconded by Mr. Tuma and approved by unanimous vote to approve the minutes from the February 13, 2017 meeting.

5. MATTERS REFERRED TO COMMITTEE

- a) R2017-0031: A Resolution making awards on RQ36437 to various providers, in the total amount not-to-exceed \$650,000.00, for environmental consulting services for the period 10/1/2016 - 9/30/2019; authorizing the County Executive to execute the Master Environmental Services Agreement and all

other documents consistent with said awards and this Resolution; and declaring the necessity that this Resolution become immediately effective:

- 1) HzW Environmental Consultants, LLC
- 2) Hull & Associates, Inc.
- 3) Partners Environmental Consulting, Inc.

Ms. Judith Weyburne, Deputy Director of the Department of Development, and Ms. Janise Bayne, Senior Development Finance Analyst, addressed the Committee regarding Resolution No. R2017-0031. Discussion ensued.

Committee members and Councilmembers asked questions of Ms. Weyburne and Ms. Bayne pertaining to the item, which they answered accordingly.

On a motion by Mr. Schron with a second by Mr. Hairston, Resolution No. R2017-0031 was considered and approved by unanimous vote to be referred to the full Council agenda with a recommendation for passage under second reading suspension of the rules.

Mr. Hairston requested his name be added as co-sponsor to Resolution No. R2017-0031.

6. MISCELLANEOUS BUSINESS

- a) Update on financial information as requested from the February 13, 2017 Economic Development & Planning Committee meeting

Mr. Ted Carter, Chief Economic Development Officer; Mr. Paul Herdeg, Director of Strategic Planning, Research and Policy; and Mr. Kenneth Surratt, Deputy Director of Housing & Community Development, addressed the Committee regarding the budgets pertaining to the Department of Development's program activities.

Committee members and Councilmembers asked questions of Mr. Carter, Mr. Herdeg and Mr. Surratt pertaining to the item, which they answered accordingly.

7. OTHER PUBLIC COMMENT

There were no public comments given.

8. ADJOURNMENT

With no further business to discuss, Chairman Schron adjourned the meeting at 4:25 p.m., without objection.

County Council of Cuyahoga County, Ohio

Resolution No. R2017-0063

Sponsored by: County Executive Budish/Department of Development	A Resolution authorizing an Economic Development Fund Special Large Scale Attraction Forgivable Loan in the amount not-to-exceed \$480,000.00 to 7signal Solutions, Inc. for the benefit of a project located at 6155 Rockside Road in the City of Independence; authorizing the County Executive and/or Director of Development to execute all documents consistent with said loan and this Resolution; and declaring the necessity that this Resolution become immediately effective.
--	--

WHEREAS, the County Executive/Department of Development has recommended an Economic Development Fund Special Large Scale Attraction Forgivable Loan in the amount not-to-exceed \$480,000.00 to 7signal Solutions, Inc. for the benefit of a project located at 6155 Rockside Road in the City of Independence; and

WHEREAS, the primary goals of this project are to relocate the world headquarters of 7signal Solutions, Inc. from Akron, Ohio to Independence, Ohio in Cuyahoga County, Council District 6; and

WHEREAS, this project is anticipated to create at least forty-eight (48) new-to-the-County, full-time jobs in Cuyahoga County with an average annual salary of at least \$100,000.00 in compensation within three (3) years of loan approval and maintained until at least seven (7) years after loan approval; and

WHEREAS, loan forgiveness is conditional upon meeting job creation and maintenance requirements; and

WHEREAS, the total cost of this project is \$4,450,000.00, of which the County will loan \$480,000.00 with a term of seven (7) years at an interest rate of two percent (2%); and

WHEREAS, the proposed funding source for the loan is the Cuyahoga County Job Creation Fund; and

WHEREAS, the project will be subject to the following, as applicable, and without limitation: the County's SBE Policy, adopted October 29, 2009; execution of

a Workforce Development Agreement; submission of annual job creation/retention reporting; and payment of prevailing wages for that portion of the project funded by the County loan authorized herein; and

WHEREAS, it is necessary that this Resolution become immediately effective in order that critical services provided by Cuyahoga County can continue.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNTY COUNCIL OF CUYAHOGA COUNTY, OHIO:

SECTION 1. That the Cuyahoga County Council hereby authorizes an Economic Development Fund Special Large Scale Attraction Forgivable Loan in the amount not-to-exceed \$480,000.00 to 7signal Solutions, Inc. for the benefit of a project located at 6155 Rockside Road in the City of Independence.

SECTION 2. That the County Executive and/or Director of Development are authorized to execute all documents consistent with said loan and this Resolution.

SECTION 3. It is necessary that this Resolution become immediately effective for the usual daily operation of the County; the preservation of public peace, health or safety in the County; and any additional reasons set forth in the preamble. Provided that this Resolution receives the affirmative vote of at least eight members of Council, it shall take effect and be in force immediately upon the earliest occurrence of any of the following: (1) its approval by the County Executive through signature, (2) the expiration of the time during which it may be disapproved by the County Executive under Section 3.10(6) of the Cuyahoga County Charter, or (3) its passage by at least eight members of Council after disapproval pursuant to Section 3.10(7) of the Cuyahoga County Charter. Otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

SECTION 4. It is found and determined that all formal actions of this Council relating to the adoption of this Resolution were adopted in an open meeting of the Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

On a motion by _____, seconded by _____, the foregoing Resolution was duly adopted.

Yeas:

Nays:

County Council President

Date

County Executive

Date

Clerk of Council

Date

In accordance with Rule 6B of the Rules of Council, legislation was added to the agenda by parliamentary motion: March 28, 2017

First Reading/Referred to Committee: March 28, 2017

Committee(s) Assigned: Economic Development & Planning

Journal _____
_____, 20__



**Economic Development Loan
LOAN PRESENTATION PACKAGE**

7signal Solutions, Inc.

Department of Development PROJECT EXECUTIVE SUMMARY

PROJECT NAME: 7signal Solutions, Inc.
DATE: March 8, 2017
DOD Program: Special Large Scale Attraction – Forgivable Loan PILOT

OVERVIEW

- 1. Borrower: 7signal Solutions, Inc..** – Headquartered at 526 S. Main Street 601G, Akron, Ohio 44141
- 2. Project Location & Council District:**
(Proposed) Project Address: 6155 Rockside Road, Independence, OH 44147
District 6
- 3. Public Partners in the Project:** City of Independence
- 4. Principals/Owners:**
7signal Solutions, Inc. is principally owned by Allos Ventures Funds and Multiple Venture Capital Funds and various individual investors:
 - Allos Ventures Funds – John McIlwraith – 29.2%
 - Mutual Venture Capital Funds – Bill Trainor - 19.0%
- 5. Officers:** Thomas Barrett; President & CEO Chris Anderle: Vice President of Finance
- 6. CCCIC Review Date:** March 8, 2017

7. Description of the Company:



7signal is a software development company that creates products to help Enterprise Customers, Hospitals and Universities better manage and evaluate the performance of their Wi-Fi networks.

7signal is The Wi-Fi Performance Company

7signal's mission is to improve the [Wi-Fi experience](#) for end users everywhere. We help our customers achieve peak Wi-Fi performance and WLAN service assurance in support of initiatives that help their business grow, increase operational efficiency and elevate productivity. While there are plenty of network performance solutions for wired networks, there are no [Wi-Fi performance management](#) solutions on the market that provide Wi-Fi analytics and insights like 7signal's solution.



8. Project Summary:

The Company/Borrowing Entity proposes to **relocate** the company headquarters from its current location at 526 S. Main Street, Akron, Ohio, in Summit County to the City of Independence in Cuyahoga County. The Company is considering the relocation in an effort to attract and retain qualified employees to meet its employment needs and fuel company growth. 7signal is an early stage technology company providing Wi-Fi performance management solutions to medium to large Enterprises, Healthcare Organizations and Colleges and Universities. The company’s annual revenues in 2016 were approximately \$2.0 Million. The goal is to grow company revenue to approximately \$20 Million by the end of 2019. Company management estimates the result of this growth will help the company create 48 jobs and \$4.8 Million in payroll in Cuyahoga County by the end of 2019.

The cost of the Company’s relocation to Cuyahoga County is estimated to be \$4,440,000. The company is proposing to lease 3,700 SF of space in an office complex located in the City of Independence, moving out of the Akron Global Business Accelerator. The proposed office location option is located at 6155 Rockside Road. The key cost components of the Company’s move involve investment by the Company in new hardware and software platforms, internal salaries and external outsourcing costs, and FF & E expenditures.

County assistance is a critical piece that will make it possible for this project to be secured for our community. This company is in a targeted industry. It is a Finish company founded in Helsinki by former Nokia Research & Development managers – turned entrepreneurs – in 2006. The headquarters company was recruited to the city of Akron as part of its BioFinland Technology Bridge Program. The loan is a condition of their relocation from Akron.

The City of Independence has offered a relocation & job creation grant that is valued at \$200,000.

COSTS

1. **Total Project Cost:** \$ 4,450,000
2. **County Loan Amount:** \$480,000
3. **Qualifies for these Funding Sources:** Western Reserve/Job Creation Loan Fund
4. **Uses and Sources:**

USES		SOURCES	
Furniture, Fixtures, Equipment, and Space Upgrades	\$ 300,000	Equity & Private	\$ 3,770,000
IT Improvements (ERP System)	\$ 150,000		\$
Capitalized Software **	\$ 4,000,000	Local Government	\$ 200,000
		Cuyahoga County	\$ 480,000
Total Uses	\$ 4,450,000	Total Sources	\$ 4,450,000

**** Accelerated Investment in R&D which includes capitalization of internal salaries and expenses of outsourcing to external firms. 7signal plans to continue to invest in developing and upgrading its current Wi-Fi Performance Management Platforms including sensors and mobile eye. The investment will include internal software development, external software development with companies such as Lean Dog and others. The project investment range is \$.0 to \$4.0 Million over the next three years.**

TERMS

1. **Interest Rate:** 2.00%
2. **Term/Repayment:** 7 years
3. **Forgiveness Terms:** Creation and maintenance of the committed 48 jobs and Company/Borrower remains in Cuyahoga County for 7 years before forgiveness of principal and accrued interest is granted.
4. **Security/Collateral/Guarantee(s):** Corporate Guarantee

RATIONALE FOR PARTICIPATION

- **Jobs Created:** The project will create a minimum of 48 new jobs in Cuyahoga County. The annual payroll is estimated to be \$4,800,000.
- **Economic Impact:** The estimated annual tax benefit from this project total \$287,950.
- **Community Impact:** This attraction of this company's corporate headquarters is of major importance to the City of Independence, the County and the region. This project brings high paying jobs, a world headquarters presence, and generates significant payroll taxes and real estate taxes.

Job Information

No.	Type of job/Description	Median Annual Salary
48		\$100,000
13	Sales	\$120,000
3	Marketing	\$109,000
9	Customer Service	\$65,000
14	Research & Development	\$98,000
3	Information Technology	\$68,000
6	Executive & Administration	\$140,000

Estimated Annual Return on Investment (ROI)

Submitted Information	
Municipality:	Independence
School District:	Independence CSD
Existing Assessed Value:	\$1,543,500
As Complete Value:	\$1,578,500
Estimated Cost of Improvements:	\$ 100,000
Number of New Committed Jobs Created:	48
Average Annual Salary for New Jobs	
Or	
Annual Estimated Payroll	\$4,800,000
Tax Benefits	
Annual Property Tax Benefit:	\$3,870
Annual Income Tax Benefit:	\$286,080
Community Tax Benefit Breakout	
State:	\$192,280
County:	\$1,391
City:	\$96,098
School District:	\$1,116
Library/Metroparks/Transit/Other:	\$66
Total Project Tax Benefit	
Total Annual Tax Benefit:	\$287,950

$$\mathbf{\$287,950 \times 7 \text{ Years} = \$2,015,650}$$

6155 Rockside Road



LOAN TERMS

BORROWER: 7Signal Solutions, Inc. or an affiliated entity (Borrower).

LOAN AMOUNT: Up to Four Hundred Eighty Thousand Dollars (\$480,000) of Cuyahoga County Business Attraction Forgivable Loan (“Loan”).

USE OF LOAN PROCEEDS: The Loan proceeds will be used for the expenses of the Project 7Signal Solutions Headquarters (“Project”) to relocate to an appropriate existing office facility in Independence, Ohio. The facility will be leased by the Borrower for a term of three-four years.

LOAN INTEREST RATE: The rate of interest is fixed at two percent (2.0%) per annum.

LOAN TERM / REPAYMENT / FORGIVENESS: The term of the loan shall be seven (7) years. Monthly principal and interest payments shall be deferred, with a balloon payment owed and paid on the accrued principal & interest balance at the end of year seven, except that, in the case of the fulfillment of certain Conditions below, to create jobs, and maintain the business within Cuyahoga

County, the Loan, including all principal and interest, shall be fully forgiven.

**PROJECT
EQUITY:**

A minimum of ten percent (10%) of the total Project costs to be injected in cash by the Borrower.

GUARANTOR(S):

Corporate and/or personal guarantees acceptable to the County.

COLLATERAL:

Priority lien position on equipment, furniture, fixtures and hardware purchased with the Loan.

CONDITIONS:

The Loan is predicated upon the Borrower bringing its company headquarters to Cuyahoga County and creating at least 48, new-to-the-County, full-time jobs. All jobs to have an average annual salary of at least \$100,000 in compensation. The jobs must be created within three (3) years of loan approval and maintained in Cuyahoga County for an additional four (4) years. Upon said Conditions being fulfilled, the Loan, including all principal and interest accrued, shall be fully forgiven.

COMMITMENTS

It will be necessary to provide copies of any letters of commitment for other financing prior to County loan approval.

INSURANCE:

Business hazard insurance on the Project and key-man life insurance on the guarantors (if applicable) in an amount up to Four Hundred Eighty Thousand Dollars (\$480,000) naming the County as loss payee.

COMMITMENTS:

Borrower agrees to execute a Cuyahoga County "Workforce Development Agreement" for any new jobs created as a result of the Project.

EXPENSES AND FEES:

Borrower to pay all fees, cost and expenses incurred by the County, including legal fees. Additionally, Borrower will be required to pay an application fee of \$250 and a loan fee of 1% of the loan amount.

SMALL BUSINESS ENTERPRISE: Borrowers receiving economic development assistance valued at \$250,000 or more for projects resulting in improvements to real property are hereby encouraged to hire and provide contract opportunities to qualified Small Business Enterprises (SBE) that have been certified pursuant to Cuyahoga County's SBE program, particularly residents of Cuyahoga County whose income equals or falls below the federal poverty guidelines pursuant to

Council Ordinance 2011-0014 and the SBE policy adopted October 29, 2009.

REGULAR REPORTING:

The Borrower and Guarantor (s) shall submit, if requested: (i) annual tax returns and financial statements, (ii) evidence of current and continuing general liability insurance, (iii) evidence of current tax payments, (iv) annual current rent roll (if applicable), (v) annual job creation reports (if applicable), and (vi) any other documentation as required under the loan documents.

PUBLIC COMMUNICATIONS:

Borrower shall follow specific requirements with regard to including Cuyahoga County in publicity and communications regarding the project and generating public awareness of the successful redevelopment effort at the 7Signal facility.

OTHER REQUIREMENTS:

Borrower shall also comply, as agreed, with all federal, state and local regulations to the extent that they are applicable to the Project. These include, at a minimum, State of Ohio Prevailing Wage requirements.
