



AGENDA
CUYAHOGA COUNTY ECONOMIC DEVELOPMENT & PLANNING
COMMITTEE MEETING
MONDAY, JULY 10, 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 JUNE 19, 2017 MEETING**
- 5. MATTERS REFERRED TO COMMITTEE**
 - a) R2017-0121: A Resolution authorizing an Economic Development Fund Business Growth and Attraction Loan in the amount not-to-exceed \$1,500,000.00 to Rinicella 4, LLC for the benefit of the Darko Project, located at 26401 Richmond Road in the City of Bedford Heights; 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**

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***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
MONDAY, JUNE 19, 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 3:02 p.m.

2. ROLL CALL

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

3. PUBLIC COMMENT RELATED TO THE AGENDA

There were no public comments given.

4. APPROVAL OF MINUTES FROM THE APRIL 3, 2017 MEETING

A motion was made by Ms. Simon, seconded by Mr. Schron and approved by unanimous vote approve the minutes from the April 3, 2017 meeting.

5. MATTERS REFERRED TO COMMITTEE

- a) R2017-0108: A Resolution adopting the 2017 Economic Development Plan in accordance with Section 7.05 of the Cuyahoga County Charter and Section 801.01 of the Cuyahoga County Code, and declaring the necessity that this Resolution become immediately effective.

Mr. Theodore Carter, Chief Economic Development Officer, addressed the Committee regarding Resolution No. R2017-0108. Discussion ensued.

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

No further legislative action was taken on Resolution No. R2017-0108.

- b) R2017-0109: A Resolution authorizing an Economic Development Fund Business Growth and Attraction Loan in the amount not-to-exceed \$2,000,000.00 to Charter Manufacturing Company Incorporated for the benefit of the Charter Manufacturing Steel Project located at 4300 East 49th Street in the Village of Cuyahoga Heights; 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.

Mr. Arnold Lockett, Development Finance Analyst; Mr. Michael Caranna, Plant Manager at Charter Steel; Mr. Michael Wise, Co-Chair of Energy Practice at McDonald Hopkins; and Mr. Carter addressed the Committee regarding Resolution No. R2017-0109. Discussion ensued.

Committee members and Councilmembers asked questions of Mr. Lockett, Mr. Caranna, Mr. Wise and Mr. Carter pertaining to the item, which they answered accordingly.

Mr. Schron introduced a proposed substitute to Resolution No. R2017-0109. Discussion ensued.

Mr. Kahlil Seren, Research and Policy Analyst, addressed the Committee regarding the proposed substitute to Resolution No. R2017-0109. Discussion ensued.

Committee members and Councilmembers asked questions of Mr. Seren pertaining to the item, which he answered accordingly.

A motion was made by Mr. Schron, seconded by Mr. Tuma and approved by unanimous vote to accept the proposed substitute.

On a motion by Ms. Baker with a second by Mr. Tuma, Resolution No. R2017-0109 was considered and approved by unanimous vote to be referred to the full Council agenda for second reading, as substituted.

Mr. Jones and Mr. Schron requested their names be added as co-sponsor to Resolution No. R2017-0109.

6. MISCELLANEOUS BUSINESS

There was no miscellaneous business.

7. OTHER PUBLIC COMMENT

There were no public comments given.

8. ADJOURNMENT

With no further business to discuss, Chairman Schron adjourned the meeting at 4:22 p.m., without objection

County Council of Cuyahoga County, Ohio

Resolution No. R2017-0121

<p>Sponsored by: County Executive Budish/Department of Development</p> <p>Co-sponsored by: Councilmember Brown</p>	<p>A Resolution authorizing an Economic Development Fund Business Growth and Attraction Loan in the amount not-to-exceed \$1,500,000.00 to Rinicella 4, LLC for the benefit of the Darko Project, located at 26401 Richmond Road in the City of Bedford Heights; 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.</p>
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WHEREAS, the County Executive/Department of Development has recommended an Economic Development Fund Business Growth and Attraction Loan in the amount not-to-exceed \$1,500,000.00 to Rinicella 4, LLC for the benefit of the Darko Project, located at 26401 Richmond Road in the City of Bedford Heights; and

WHEREAS, the primary goal of this project is to assist with the purchase of property located at 26401 Richmond Road in the City of Bedford Heights in order for Darko to expand its production and design processes; and

WHEREAS, upon completion, this project is anticipated to retain sixty (60) existing jobs and create five (5) new jobs within three (3) years; and

WHEREAS, the total cost of this project is \$5,800,000.00 of which the County will loan \$1,500,000.00 with a term of fifteen (15) years at an interest rate of two percent (2%); and

WHEREAS, on June 14, 2017, the Cuyahoga County Community Improvement Corporation reviewed and recommended that the County fund this project; and

WHEREAS, the proposed funding source for this loan is 100% from the Cuyahoga County Western Reserve Fund; and

WHEREAS, this project is located in County Council District 9; 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 Business Growth and Attraction Loan in the amount not-to-exceed \$1,500,000.00 to Rinicella 4, LLC for the benefit of the Darko Project, located at 26401 Richmond Road in the City of Bedford Heights.

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

SECTION 3. This Resolution shall sunset twelve (12) months after County Council approval should the authorized action have not occurred by that date. In the event this Resolution sunsets prior to the authorized action taking place, the Director of Development shall notify the Clerk of Council in writing. The Clerk of Council shall record the sunseting of this Resolution in the Council's Journal.

SECTION 4. It is necessary that this Resolution become immediately effective for the usual daily operation of the County and the 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 5. 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

First Reading/Referred to Committee: June 27, 2017

Committee(s) Assigned: Economic Development & Planning

Additional Sponsorship requested on the Floor: June 27, 2017

Journal _____
_____, 20__



Department of Development

PROJECT EXECUTIVE SUMMARY

PROJECT NAME: Rinicella 4, LLC Holding
DATE: (Date of CPB, BOC or County Council Hearing) TBD
DOD Program: Business Growth/Attraction

OVERVIEW

1. Borrower: **Rinicella 4, LLC Holding Company Darko**
2. Rinicella 4, LLC is the holding company for Darko an Ohio based company, founded in 1974 and originated as a family owned business. Dan Rinicella, Derek Rinicella and Dean Rinicella are the owners. Darko Incorporated core business is to design custom displays, marketing services and retail technology that help define the shoppers experience for their clients.

Project Location & Council District:

26401 Richmond Road Bedford Heights, Ohio

District 9 – Shontel Brown

3. **Partners in the Project: S&T Bank and City of Bedford Heights**

Project Summary:

Rinicella 4, LLC Holding Company for Darko is planning to purchase the property located at 26401 Richmond Road Bedford Heights, Ohio. The project will bring 60 existing jobs and create 5 new jobs within 3 years. The projected annual payroll is \$3,600,000. The estimated project investment is \$6 million. This expansion allows Darko to expand its production and design process and become more efficient.

4. **CCCIC Review Date: June 14, 2017**

RATIONALE FOR PARTICIPATION

- **Jobs Created:** This project investment will bring 60 existing jobs and create 5 new jobs within 3 years.
- **Economic Impact:** The average yearly payroll taxes from the expansion are projected at \$214,560 locally.
- **Community Impact:** The project will redevelop a vacant building, eliminate blight, attract developed company and create new jobs for the Cuyahoga County and the City of Bedford Heights.

COSTS

1. **Total Project Costs:** \$5,800,000
2. **Loan Amount:** \$1,500,000
3. **Qualifies for these Funding Sources:** Economic Development Loan Fund
4. **Sources and Uses:**

<u>Sources</u>		<u>Uses</u>	
S &T Bank	\$3,430,000	Building Acquisition	\$5,000,000
Cuyahoga County	\$1,500,000	Renovation	\$ 800,000
Owner’s Equity	\$ 870,000		
Total Sources	\$5,800,000	Total Uses	\$5,800,000

TERMS

1. **Interest Rate: 2.00%**
2. **Term/Repayment: 15 years**
3. **Forgiveness Terms: N/A**
4. **Security/Collateral/Second position on the real Estate with S&T Bank and corporate guarantee**

Prepared By:
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