

CITY OF INDEPENDENCE

# ReliabilityFirst Corporation



## **ReliabilityFirst's relocation to new quarters was cash flow neutral thanks to the City of Independence's economic incentive program.**

The nonprofit is responsible for the reliability and security of the electric grid in the Great Lakes and Mid-Atlantic areas of the U.S., which includes all or portions of Delaware, New Jersey, Pennsylvania, Maryland, Virginia, Illinois, Wisconsin, Indiana, Ohio, Michigan, Kentucky, West Virginia, Tennessee and the District of Columbia.

ReliabilityFirst develops and offers technical training workshops that can draw several hundred visitors to Northeast Ohio. The firm needed 30,000 square feet of Class A office space in a location close to Cleveland Hopkins International Airport, hotels and amenities, with easy access to I-77.

## **LOWERING RELOCATION COSTS KEY FOR NONPROFIT**

But covering relocation costs and offsetting building rent was a concern. The major difference in tenant improvement costs between the offering in a neighboring community and that of Independence was approximately \$500,000.

To locate in Independence, ReliabilityFirst needed to reduce this amount so the relocation would be cash flow neutral. Through value engineering, competitive bidding and other negotiated concessions, the tenant improvement costs were reduced to approximately \$350,000.

## **GRANT OFFSETS COSTS OF TENANT OCCUPANCY IN NEW BUILDING**

The City then provided ReliabilityFirst a \$350,000 Relocation and Job Creation Grant. Assisted by the City's economic development incentives, ReliabilityFirst:

- Signed a 12-year lease for the space it required.
- Relocated 46 employees with a \$5 million payroll.



**RELIABILITY FIRST**

*Since we are a nonprofit, we are incredibly cost conscious.*

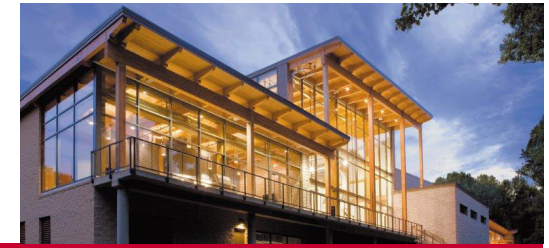
*We looked at ultimate site selection from the standpoint of what would save the organization the most money and be the best economic choice. Independence really stepped up for us.*

JASON BLAKE, GENERAL COUNSEL, RELIABILITYFIRST

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CITY OF INDEPENDENCE

# Cleveland Cavaliers



**The City of Independence tailors economic incentives to the needs of individual businesses.** The Cleveland Cavaliers needed a new practice facility and identified 18 acres of wooded property overlooking the Cuyahoga Valley National Park as an ideal site.

## CITY ELIMINATED LAND EXPENSES

To encourage economic development in Independence, one option the City can pursue is the write-down or elimination of land purchase costs. In this case the City:

- Acquired the project site for \$1,850,000, implementing a tax increment financing (TIF) district to offset the purchase costs.
- Entered into a 20-year ground lease with the Cleveland-Cuyahoga County Port Authority.

## WORLD CLASS TRAINING FACILITY A COLLABORATIVE EFFORT

Facility construction was financed through three cooperating Ohio port authorities and an equitable contribution by the Cavaliers. The total project cost was \$27.845 million.

The new 50,000 square foot Cleveland Clinic Courts opened for the 2007-08 NBA season. The premier facility includes two regulation basketball courts, workout facilities, locker rooms, meeting rooms and media facilities for video coaching.

In recognition of the Cavaliers 2016 NBA Championship, Independence designated the portion of Brecksville Road between Rockside Road and the Cleveland Clinic Courts as Cavaliers Way.



*The Cavaliers organization considers Independence our second home. We have a great partnership with the City who gave us a warm welcome when we opened Cleveland Clinic Courts. This community has become the home away from home for our players, coaches and front office staff, and although we say “champions live here” at The Q, we thank Mayor Togliatti and City Council for making it so all those who travel Cavaliers Way will be reminded, champions live here too.*

LEN KOMOROSKI, CEO, CLEVELAND CAVALIERS

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# Cleveland Clinic Foundation



The Cleveland Clinic Foundation (CCF) has expanded its suburban footprint over the years at the site of the Independence Technology Center. The location is the site of the former Republic Steel Research Center, which Cumberland Real Estate Development repurposed as a mixed-use office, distribution and lab space.

## CITY ATTRACTIVE FOR WORKFORCE EXPANSION

CCF was interested in consolidating 600 financial division jobs in Independence. Hundreds of CCF jobs were already at the technology center site for various other non-medical functions. Now, other amenities made it a favorable site for expansion, including:

- Its location close to the I-77/I-480 corridor.
- The availability of land to expand and accommodate 1,800 parking spaces.

Accordingly, CCF planned a \$15 million, 138,000-square-foot, two-story addition to the rear of the existing building.

## BETTER TRAFFIC FLOW ACHIEVED WITH TIF

Independence used Tax Increment Financing (TIF) to offset millions in public infrastructure costs associated with realigning the center's main intersection. This was needed to:

- Accommodate increased traffic.
- Avoid congestion caused by too many traffic signals.

## INVESTED IN THE FUTURE OF ITS CORPORATE CITIZENS

Now Independence's largest employer at 2,300 people, CCF has been able to grow in a planned way, with the City as its partner to ensure the best experience.



CITY OF INDEPENDENCE

# Involta



**Independence is a magnet to technology companies seeking access to fiber infrastructure.** Case in point: Involta, which builds, owns and operates world-class, concurrently maintainable colocation data centers in secondary markets across the U.S.

#### IDEAL LOCATION FOR MULTI-TENANT DATA CENTER

When a prospective Involta anchor tenant expressed an interest in occupying significant space in Greater Cleveland, Involta sought the right location for a high-security 25,000 square foot data center. Ideally, the site would be networked through a fiber ring with Involta's world-class enterprise facility in Akron, 30 miles away, to allow for 1 millisecond round trip transfers of data or less between the two locations.

#### INDEPENDENCE ASSETS SUPPORT BUSINESS DEVELOPMENT

The City had recently invested in the installation of conduit throughout its business districts to enable more reliable access to fiber-based

*Independence wanted us to succeed. Independence is attractive to technology companies because access to fiber infrastructure is critical to us. The City's investment in fiber infrastructure puts them on the map. But it's much more than that. It really starts with city leadership – they don't just send you forms to fill out in triplicate. They want you to do well because your success is their success. They tell prospective businesses: "We're going to communicate with you directly; we're going to figure out at the outset how to make this work for you."*

*Bruce Lehrman, Founder and CEO, Involta*

broadband. This made Independence a prime candidate for the new facility, combined with other attributes:

- Reasonable proximity to Involta's Akron enterprise facility
- Access to a robust regional workforce
- Significant public infrastructure

#### CITY HELPS INVOLTA FURTHER SUCCEED

Independence's additional efforts to attract Involta were consequential, including:

- A job-based economic incentive
- A 10-year lease allowing the company to utilize space in the city-owned conduit network.

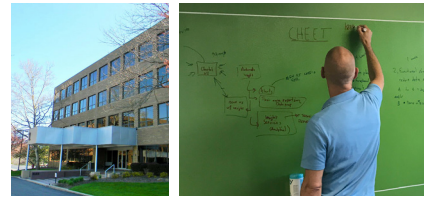
These offerings reduced the company's start-up costs and solidified Involta's decision to construct the data center in Independence.



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# 7SIGNAL Solutions



**Thanks to economic incentives, 7SIGNAL Solutions, Inc. is able to move to the City of Independence and attract new employees.**

7SIGNAL is an early stage technology company whose products help organizations achieve peak Wi-Fi performance service assurance. Its clients include large enterprises, health care organizations and higher education institutions, where high-performance Wi-Fi is mission critical.

The Finnish-founded company relocated to the Akron Global Business Accelerator in 2011. In 2016, 7SIGNAL was poised for rapid growth and considered relocating its headquarters to Independence for optimal proximity to the Northeast Ohio region's IT workforce to meet its employment needs and fuel company growth. The company was interested in 3,600 square feet of office space in the Rockside Road Business District, but challenged by significant relocation expenses – including IT improvements and FF&E.



***Independence is business-friendly.** Their approval process was surprisingly quick and simple, the easiest part of the whole relocation. Because the City moved fast, we could pin down a moving date, hire employees and acquire new customers that much sooner. I really appreciated the support of the Mayor and of the Department of Economic Development; they clearly want to attract technology companies.*

THOMAS BARRETT, PRESIDENT & CEO, 7SIGNAL SOLUTIONS

## **ECONOMIC INCENTIVE PACKAGE OFFSETS RELOCATION EXPENSES**

Once 7SIGNAL reached out to Independence, the City joined forces with Cuyahoga County to put together an attractive economic incentive package. The package included:

- Independence: \$200,000 from a job creation tax credit grant to defray initial relocation and scale-up costs.
- Cuyahoga County: \$480,000 forgivable business attraction loan to subsidize moving and scale-up costs for upgrades to hardware and software platforms, IT infrastructure and office space.

## **MOVE TO INDEPENDENCE HELPS FUEL GROWTH**

7SIGNAL estimates that its future growth, assisted in part by its move, will result in:

- The creation of 48 well-paying jobs.
- A \$4.8 million payroll by the end of 2019.

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