

**EXHIBIT A**

**AMENDED**

**JOB RETENTION AND CREATION GRANT PROGRAM**

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The City of Mayfield Heights will establish a Job Retention and Creation Incentive Program to offer incentives to eligible businesses that are creating new, full-time or full-time equivalent jobs. The City will offer an eligible company an annual grant payment based on a percentage of the annual payroll withholding taxes generated by jobs that are new to the City of Mayfield Heights.

- The program will be structured as a grant (refund) based upon the creation of new full-time or full-time equivalent jobs.
- Grants will be awarded using non-tax revenues.
- Each grant must be approved by City Council and the Mayor prior to the applicant company undertaking the project.
- The program will be available to businesses considering a location, or businesses considering an expansion, in the City of Mayfield Heights.
- A company already located in Mayfield Heights and expanding at its current facility, or expanding at a new facility within the City, must create, within a 3-year period, a minimum of 150 new full-time or full-time equivalent jobs or a minimum annual payroll of \$15 Million new to the City of Mayfield Heights, while maintaining its current employment workforce and payroll.
- In order to be eligible, a company locating a new business in Mayfield Heights must create, within a 3-year period, a minimum of 150 full-time or full-time equivalent jobs new to the City of Mayfield Heights and/or a minimum annual payroll of \$15 Million new to the City of Mayfield Heights.
- Independent contractor positions are not eligible.
- Retail and food service businesses are not eligible.

**Grant Guidelines:**

The maximum grant will be for 5 years and 50%. All grants will be based on new payroll projections according to the following schedule:

<b>New Payroll by End of Year 3</b>	<b>Length of Grant</b>	<b>Suggested Award Rate</b>
\$15 million to \$20 million	3 years	30%
\$21 million to \$25 million	4 years	35%
\$26 million to \$30 million	4 years	40%
\$31 million and above	5 years	50%

- FOR COMPANIES MEETING THE CRITERIA SET FORTH ABOVE, BUT HAVING LESS THAN A MINIMUM ANNUAL PAYROLL OF \$15M, THE FOLLOWING SHALL APPLY:

<b>PAYROLL</b>	<b>LENGTH OF GRANT</b>	<b>SUGGESTED AWARD RATE</b>	<b>NO. OF FULL-TIME JOBS (EQUIVALENCY)</b>
\$3 MILLION TO \$8 MILLION	2 YEARS	20%	50
\$9 MILLION TO \$14 MILLION	3 YEARS	25%	50

- For companies already located in Mayfield Heights, only new payroll shall be used to determine the number of years and the award percentage of the grant. The company will 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 date by which Year 1 job projections must be met 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 Development Department. City Council must approve the extension.

<u>% of Payroll Projections Met</u>	<u>% of Grant Awarded</u>
90-100%	full grant/credit
85-89%	reduce grant by 5% (e.g.: 40% grant reduced to 34%)
80-84%	reduce grant by 10%
75-79%	reduce grant by 15%
Less than 75%	no grant for that year

The amount of the grant will be calculated annually based on the company's performance in meeting its payroll and employment projections for the previous year. The company must achieve at least 75% of the job creation projection for the previous year in order to receive any benefits.

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 Finance Department. A non-refundable application fee of Seven Hundred Fifty Dollars (\$750.00) in the form of a check, payable to the City of Mayfield Heights, shall be submitted with the Application.

**Program Funding:**

Funding for the grant program will come from non-tax generated revenues, including but not limited to interest income, permit fees, service charges, activity fees and tax incentive application and monitoring fees.

**Claw Back Provision:**

Each Agreement will include a binding claw back provision requiring repayment of grant moneys if the company leaves the City during the term of the agreement or fails to maintain through the term of the Agreement, at least 75% of the new jobs for which grant moneys were received.

**Annual Reporting:**

- Upon the City's request and on forms provided by the City, companies must submit an Annual Job Creation Grant Report documenting new employment and payroll. This Report will be required annually during each year that a grant is being awarded. A Two Hundred Fifty Dollar (\$250.00) administrative fee shall be required with submission of each Annual Report.



- The annual performance reports will be reviewed by the Director of Development and the Finance Director. An annual report will be prepared by the Director of Development and presented to the Mayor and City Council.

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**Terminating Agreement:**

- 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.
- 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 and any amounts paid to the company by the City pursuant to the Agreement shall be repaid.
- If a project or occupancy of a project facility begins in the 3<sup>rd</sup> or 4<sup>th</sup> quarter of the year and the company is not able to meet its Year 1 projections by December 31<sup>st</sup> of that year, Year 1 shall be considered the first full year of occupancy.

**General:**

- The City reserves the right to amend, alter or terminate the offering of the subject Grant(s) without notice at any time prior to an Application pending.
- As always, the City adheres to a “non-poaching” policy and does not actively solicit business settled in any other Cuyahoga County Community.