

CITY OF  
*Beachwood*

# ECONOMIC DEVELOPMENT ACTION PLAN

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Updated January 1, 2025





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# Action Plan & Framework Update

The City of Beachwood is shaping its future with updates to the Economic Development Action Plan designed to drive growth and seize new opportunities. Over the past several years, more than \$1 billion has been invested in the city through projects such as new medical facilities, national headquarters, retail developments, and joint initiatives like the Chagrin Highlands Shared Revenue District with the City of Cleveland. This plan strengthens Beachwood's commitment to fostering economic success and innovation.

Consistent with national trends, office vacancy rates are rising in the Cleveland MSA as tenants reassess their space needs. However, the City of Beachwood remains well positioned as a premier office destination within the MSA. The city acknowledges the need for additional investments in our office buildings to maintain our competitive edge in the long term. The impact on lease renewals remains significant, as tenant demand for flexibility persists and evolving space requirements drive changes in office configurations. Competition for high-quality space, flexibility, and amenities intensifies as vacancies increase. Additionally, rising operating costs and interest rates continue to pressure office building owners, who must balance tenant retention with the need for flexibility. Adapted strategies, investments in building upgrades, and a deeper understanding of shifting tenant needs and preferences are essential to address these challenges.

The Ohio retail market continues to embrace omnichannel strategies to meet evolving customer demands. Competition in the area is great, but a clear trend toward localized shopping, with a shift away from large-scale stores poises Beachwood well. The city's retail centers are centrally located and offer smaller, more convenient shopping formats. With just three primary retail centers, the area's overall retail footprint is well suited to adapt to the growing demand for experiential shopping that customers are seeking.

Revitalizing key commercial areas is a top priority as we look for ways to transform these areas to meet the needs of emerging industries. We aim to align these areas with growing industries while encouraging new sectors and mixed-use developments. These efforts will help diversify, expand, and strengthen our overall tax base.

Entrepreneurial and small business development is key to Beachwood's economic growth. While start-ups and early-stage companies have opportunities for innovation, they also face challenges like funding, market uncertainty, and operational inefficiencies. Investing in new technologies and research is crucial to help these businesses adapt and adjust their models to changing economic conditions.

We remain committed to exploring both existing and new land development as opportunities arise. Our focus is to capitalize on all potential opportunities, supporting the long-term sustainability of the community. This includes expanding opportunities for businesses and residents, introducing new building inventory, while revitalizing older, underutilized sites.

This updated Economic Development Action Plan serves as a strategic guide to strengthening Beachwood's best-in-class business community, enhancing the core assets that drive growth, and building the infrastructure and amenities needed to attract new enterprises. Beachwood has a unique opportunity to achieve what few communities have: creating and executing a comprehensive economic development program that not only cultivates a thriving business district and culture but also delivers meaningful returns for taxpayers.



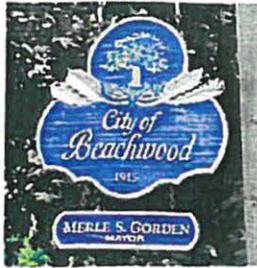


## THE SEVEN FUNDAMENTALS

Our team developed and reviewed its recommendations with seven fundamental facts in mind. Not only have these Seven Fundamentals guided our recommendations, but they should be the foundation for the City of Beachwood's decision making going forward.

1. **EXISTING BUSINESS IS A PRIMARY CONCERN** – While attracting new businesses may garner more headlines, providing options for existing businesses is key to having a vibrant economy.
2. **BEACHWOOD IS INTEGRAL TO THE GREATER CLEVELAND COMMUNITY** – Beachwood depends on the health of Northeast Ohio and its neighboring communities for part of its economic vitality and much of its workforce. The Beachwood brand is used beyond the city limits. This economic integration offers opportunities to build partnerships and regionalism in economic development. Beachwood must seek to develop partnerships with regional groups while carefully choosing areas where Beachwood has unique assets that can be leveraged. This also means that Beachwood must work to ensure a healthy economy in the broader Northeast Ohio.
3. **BEACHWOOD HAS A LEGACY OF SUCCESS THAT SETS THE STAGE FOR THE FUTURE BUT DOES NOT GUARANTEE CONTINUED SUCCESS** – That legacy has provided Beachwood with the financial and leadership capacity to do things that other communities cannot.
4. **FOCUS IS IMPORTANT, BUT SO IS MAKING SURE THAT YOU HAVE A BALANCED PROGRAM** – For several years the BBDC, the Israel initiative and the relationship with the Beachwood Chamber of Commerce dominated all aspects of the community's economic development strategy. There is much work to be done to repair some of the foundation to Beachwood's economic development structure.
5. **PARTNERS NEED TO BE FOSTERED** – Beachwood will need to engage at a high level on a regular basis to develop partners and partnerships and ensure that Beachwood remains viewed as the most valued suburban partner in Northeast Ohio.

6. **EFFECTIVE PUBLIC PRIVATE PARTNERSHIPS IN ECONOMIC DEVELOPMENT GET PRIVATE SECTOR PARTNERS TO DO SOMETHING THEY ALREADY WANTED TO DO, BUT IN A WAY THAT BETTER BENEFITS YOUR COMMUNITY** – When the City is providing funds to support a private enterprise, the private enterprise needs to be viable without public funds. However, the public funds should influence key aspects of the project: where it takes place, how it looks, what other amenities included, etc.
7. **BEACHWOOD'S STRENGTH IS ITS RELIABILITY AND PREDICTABILITY** – Beachwood has some very prominent mission critical facilities (hospitals, corporate HQs, banking centers, healthcare business operations centers) that depend on Beachwood's services and infrastructure. The City needs to enhance that infrastructure and find ways tell the story.



## BRANDING: ENHANCE THE BEACHWOOD IMAGE AND SENSE OF PLACE

**PREMISE:** In our research we discovered that Beachwood has a strong brand, but that brand could be enhanced and leveraged for economic development.

1. In order to capture as much of Beachwood's "brand equity" as possible, the City of Beachwood needs to develop a physical landscape that clearly delineates when you are in "Beachwood proper" versus "Greater Beachwood."
2. Within Northeast Ohio, Beachwood continues to have a strong reputation as a good place to live and work.
3. Because Beachwood is perceived to be a premium location, companies outside of the City of Beachwood will market their Beachwood address.
4. An improved look and streetscape, raises property values.
5. A strong marketing image is a necessary, but not sufficient, condition of an effective economic development marketing program.

### RECOMMENDATIONS:

1. Engage a qualified marketing firm to develop a branding and image strategy.
  - A. The strategy should seek to confirm and highlight Beachwood's strengths. We believe that Beachwood's strengths include:
    - i. Exceptional transportation access.
    - ii. A mix of greenfield and existing office stock.
    - iii. Reliable, predictable and exceptional public services.
    - iv. Business like and responsive city administration.
    - v. Access to business services providers.
    - vi. Access to highly educated and diverse workforce.
    - vii. Excellent location for mission critical facilities.
  - B. The strategy should incorporate elements of planning, building standards and streetscapes to enhance the delineation between the City of Beachwood and Greater Beachwood.
    - i. This will require a long term vision and implementation to modify the existing built environment into a more cohesive looking community.
    - ii. Integration of the branding and physical environment appearance will require issuing an RFP for an interdisciplinary team. To our knowledge, there is no single firm that typically undertakes this kind of effort.
  - C. The design standards that are developed through this process should be incorporated into all of the City's business development efforts.

- i. The City can use its funds to buy the look that it wants, once the look is developed. This is particularly true of any programs focused on real property improvements.
  - ii. Design standards should use common sense principles and not become an impediment to business growth.
- D. We believe that the City should budget \$25,000 for such a study.

## ATTRACTION

**PREMISE:** There are a number of characteristics which have shaped the recommendations surrounding a business attraction activity. These include:



1. With some notable exceptions, Beachwood possesses a shortage of developable property.
2. While other business attraction efforts are underway, e.g. the Greater Cleveland Partnership, TeamNEO and Cleveland Plus, the amount of "deal flow" that is reaching Beachwood warrants independent efforts.
3. Given Beachwood's character and the pedigree of businesses located there, a shotgun approach, i.e. marketing to any firm who might be looking to relocate or expand, is not warranted.
4. Beachwood possesses a number of assets which, if properly marketed, could yield significant opportunities to attract new corporate investment into the community.

### RECOMMENDATIONS:

1. Conduct targeted marketing activity to identify and market to firms which are both growing and for which Beachwood possesses a competitive advantage.
  - A. A number of firms provide these services. Fees typically range from \$35-50,000.
  - B. This work can be used to identify individual firms to market to that are both exhibiting 'indicators of change' and are suitable for the Beachwood market
  - C. Develop a series of materials capturing Beachwood's competitive advantages for these industries. Such detail typically includes;
    - i. availability of workforce skills needed
    - ii. geographic advantages vis-à-vis transportation, logistics, supply chain
    - iii. cost of doing business advantages including any incentives
    - iv. existence of related firms (suppliers, service providers, customers)
    - v. availability of suitable locations (buildings and sites)
    - vi. infrastructure (fiber optic, electric, natural gas, other telecommunications)
  - D. Conduct outreach to these firms through direct contact, direct mail, advertising and social media channels.
2. Develop a world-class online presence, including website, to support the City's economic development efforts. The site will need to include:
  - A. A variety of content types (text, data tables, site and building records, maps, etc.) allowing individuals and consultants to fully investigate the City of Beachwood for job creating investment.

- B. Contain functionality allowing staff and economic development allies to generate reports, data tables, maps, etc. in support of their own program of work.
  - C. Integrate appropriate social media channels (LinkedIn, SlideShare, Flickr, AddThis).
  - D. Integrate on and off page search engine optimization techniques and content.
3. Through the increase in economic development staff capacity (covered in another section), maintain and enhance regular contact with other organizations in the region engaged in economic development activities including the City of Cleveland, Greater Cleveland Partnership, TeamNEO, Cleveland Plus, JobsOhio.
  4. Develop and maintain a current, accurate and complete inventory of available real estate in Beachwood.
  5. Consider undertaking a labor force study for Beachwood and the surrounding areas. Such studies provide both great insights into the available labor force as well as providing unique selling propositions which other communities may not possess, thereby giving Beachwood an advantage on attraction projects.
    - A. A number of firms provide these services. Typical fees are \$25-50,000.
    - B. These studies typically look at;
      - i. Availability
      - ii. Skill levels
      - iii. Employment levels in various business sectors
      - iv. Productivity
      - v. Under employment levels
  6. Develop and maintain a variety of standard marketing materials, including;
    - A. Community profile, both Beachwood proper and region
    - B. Copies of labor force study
    - C. Available sites and buildings inventory
    - D. Materials describing the economic development services available through the City of Beachwood
  7. In its marketing efforts, Beachwood must cast its programs and ideas in terms that are easily understandable to business. For example:
    - A. Tax credits = lower cost of operating
    - B. Strong city services = reliability
    - C. Education = workforce and talent attraction
    - D. Retention and expansion = customer retention and satisfaction

8. While Beachwood's attraction efforts can proceed ahead of any branding exercise, your attraction efforts should be enhanced by a revised branding strategy. Not only will an improved set of imagery be important, but the data gathered through developing the brand can be integrated into your marketing and attraction materials.
9. The labor market study and, to a lesser extent, the targeted marketing study outlined above could both be performed in cooperation with other communities in the area. Doing so could have three beneficial results:
  - A. Provide better product by helping you to provide prospects with a truer picture of the regional economy,
  - B. Reducing the cost to Beachwood of the project, and
  - C. Advance the goal of increasing Regionalism, particularly on the east side of Cleveland.
10. Because of Beachwood's prior investment in attracting businesses from Israel, attraction from that market deserves some additional consideration.
  - A. Based on conversations with Beachwood's consultant in Israel, the current approach for Beachwood is to identify Israeli companies that match Beachwood's strengths and market directly to those companies. This approach is consistent with what we are recommending here.
  - B. Care must be taken to ensure that what is being marketed to Israeli companies is, in fact, the product that Beachwood has to offer. Much of the prior marketing in Israel was based on the BBDC. Without the space and services of the BBDC, Beachwood and its Israeli advisors need to reevaluate Beachwood's value proposition for Israeli companies.



## REGIONALISM

**PREMISE:** For a variety of reasons, the concept of regionalism is the subject of much discussion in Ohio and Northeast Ohio in particular. As it relates to economic development in Beachwood, some of the key implications of regionalism are:

1. As a relatively small municipality, Beachwood should seek to capitalize on common interests with neighboring communities.
2. Beachwood does not and should not pro-actively seek to move existing jobs from other Northeast Ohio communities.
3. For specialized functions, Beachwood should rely on the talent of regional groups to perform those functions.

### **RECOMMENDATIONS:**

1. The City of Beachwood and the Mayor should continue working with Cuyahoga County and other municipalities to develop an anti-poaching protocol that sets the rules of engagement in a way that respects the needs of both business and government.
2. Beachwood should take a leadership role in bringing together communities along the I-271 corridor to support joint marketing throughout the region.
  - A. Other regions around the country, particularly Denver, have shown that sub-regional groups can cooperate effectively.
  - B. From an economic development marketing perspective, Beachwood's access to I-271 will be central to its future growth. Partnering with other municipalities along this corridor to drive more prospects to the corridor could drive more prospects to the region.
  - C. Development of a partnership with other communities to analyze transportation and other business patterns to determine what communities are Beachwood's best partners.
3. As noted in our recommendations on Sales/Marketing and Retention and Expansion, Beachwood needs to enhance its engagement with TeamNEO and the Greater Cleveland Partnership. These organizations will be central to moving economic development forward.
  - A. Work to ensure that all of the community's key sites are listed on TeamNEO's site database.
  - B. Host networking/outreach events for regional groups.

Where possible, Beachwood should seek to contract for specific functions and skills from regional partners. For example, we have recommended using JumpStart to help manage entrepreneurial finance programming.



## BUSINESS RETENTION AND EXPANSION

**PREMISE:** The City of Beachwood has a strong legacy in support of existing businesses. During the execution of our assignment, many examples of this strong relationship between the administration and businesses were communicated to the team. No other aspect of the City's economic development effort has such a strong foundation. Other issues supporting our recommendations in this area are:

1. While many instances of favorable relationships were found, this has largely been the efforts, on a proactive basis, of the Mayor and a few other community leaders.
2. There is currently no institutionalized program of work for business retention and expansion.
3. As unfortunately has been witnessed through the relocation of the JMC Steel Group to Chicago, the competition to maintain corporate investment in the City is fierce.
4. It is generally accepted that a vast majority of new jobs and investment in a community come from existing businesses themselves.

### **RECOMMENDATIONS:**

1. Make the retention and expansion of existing businesses a priority for the city's economic development office.
2. Consider contracting with an individual who possesses business acumen, knowledge and potentially a history with a corporate citizen in Beachwood, to augment the efforts of the Mayor, the Director of Economic Development and others in conducting visits with existing businesses. This individual needs to be both business and government savvy.
3. Establish a specific set of goals for the number of visits conducted per month, per quarter, per year.
4. Develop, or engage consultants to prepare, a comprehensive predictive analysis of the City's corporate citizens identifying which are candidates for expansion and which are at risk of reducing their presence within the City.
5. Through the execution of the program of work, identify and then seek to remedy issues facing the business community.
  - A. In addition to gathering information on these issues through personal visits, execute an annual survey of businesses.
  - B. Implement a Ready-Response Program to take quick action to resolve challenges raised by businesses as part of the BRE Initiative. This would be accomplished through a regular meeting between the BRE Executive and representatives of each of the key administrators with the Mayor, City Council and administrators from City of Beachwood, the Beachwood Public Schools,

Greater Cleveland Partnership, Cuyahoga County, NOACA and other agencies and organizations.

6. Develop a series of materials in support of the program of work including a brochure on the program of work itself, a resource guide describing available resources for existing businesses, and others.
7. Promote your businesses.
  - A. In the development of the City's new economic development website, celebrate the existing businesses in the City through such treatment as rotating logos on the home page, etc.
  - B. Establish a "Beachwood Business of the Month" award and celebrate each month's recipient with recognition at Council, media coverage on the business and in other ways celebrate and show appreciation for the businesses' investment in Beachwood.
8. Consider the development and execution of a series of seminars, workshops and others for existing businesses. Such topics as workforce training assistance, export assistance, meet and greet with city and state officials, etc. would all serve to demonstrate support for existing businesses.
9. Consider membership in the Business Retention and Expansion International organization which focuses on business retention programs.



## INCENTIVES TOOL BOX

**PREMISE:** The use of incentives in similarly positioned communities in Northeast Ohio and around the country is very common. Beachwood needs to build an incentive tool kit based on the following conclusions:

1. Competing communities have developed and use economic development tools that put Beachwood at a financial disadvantage in attracting new business and retaining existing business.
2. Incentives should be available to both new and existing companies, provided that the companies meet eligibility thresholds.
3. Incentives that are easily understood, predictable and fast have high value.
4. Immediate job creation projects require different incentives than speculative real estate development.
5. In the Beachwood context, incentives should be used primarily for projects that provide a premium return to the City of Beachwood and its citizens.

### **RECOMMENDATIONS:**

1. Develop a performance-based Job Development grant or tax credit
  - A. Implement a grant program based on City income tax collections from a company creating significant new jobs that fall within targeted categories
  - B. To help existing businesses expand or attract new business to Beachwood, the City will provide select companies with a cash grant from non-tax revenues. The value of the grants will be determined annually based on city income tax due to an attraction or expansion project.
  - C. To enhance predictability and speed, the City should pre-define and make public the criteria and benefits for projects. Project eligibility could include the following criteria:
    - i. Number of new jobs
    - ii. Additional payroll and municipal taxes due to the project
    - iii. Business sector. This can be an inclusive or exclusive criterion. For example, the program could include only corporate headquarters and research and development operations. Alternatively, the City could choose to exclude retail and not-for-profit enterprises.
    - iv. Commitment to achieve higher level of building and design standards, such as LEED or expanded City design standards.
    - v. Offered only when done in conjunction with State of Ohio or other regional incentives as part of a competition with locations outside of Northeast Ohio.

- D. The benefits would be defined as a percentage of City income tax revenues for a period of years. For example, a company could be provided a grant of 50 percent of income tax revenues for a period of 5 years.
  - E. There would be no expenditure of current funds. The program would forgo a portion of future income tax growth. Net impact on City revenues will be positive. Budgeting will need to ensure that sufficient non-tax revenues exist to meet commitments if the program is structured as a grant.
  - F. This program faces the following risks
    - i. Failure of companies to achieve job targets. However, the program self-regulates except in cases where the company completely shuts down operations.
    - ii. Failure to properly manage non-tax revenue funds.
    - iii. Overly broad eligibility criteria leads to excessive use.
    - iv. Narrow eligibility criteria make the program too difficult to use.
  - G. The program would be administered by the City's economic development director and each incentive should be approved by Council. Council will need to be flexible in its approval process to accommodate business timelines.
  - H. This program could also be structured as a tax incentive if that mechanism is preferred.
2. Develop a diverse set of property development tools under a Beachwood Opportunity Sites Strategy (BOSS)
- A. A successful economic development effort requires that a community have a wide variety of available existing buildings and future development sites to meet the needs of businesses who are seeking to locate there.
  - B. For communities of it's size and positioning, Beachwood has a much wider variety of opportunity sites suitable for business development. These include:
    - i. Chagrin Highlands, the site of the Eaton headquarters with additional property available for both commercial and office development;
    - ii. Chagrin Boulevard, a major commercial corridor that is the spine for a number of communities in the region,
    - iii. Science Park, a fairly mature business park with some key long-term businesses but with parts needing improvement, and
    - iv. Commerce Park, the oldest business development park in the region (1960's) that is showing signs of obsolescence and deterioration but also has great potential for revitalization.
  - C. Each of the Opportunity Sites has challenges, and the community should provide appropriate support and incentives to help bolster each site.

- D. Of all of the Opportunity Sites, Commerce Park is in greatest danger. The issues were outlined succinctly in the Commerce Park Redevelopment Study. Because of its importance to the community as a tax generator and job center, special attention is required to support Commerce Park.

#### **SITE DEVELOPMENT PROGRAM RECOMMENDATIONS:**

##### **1. TAX INCREMENT FINANCING (TIF)**

- A. Tax Increment Financing redirects a portion of the *incremental* property tax *growth* in an area into a special fund that can be used for a variety of improvements to an area. TIF is used for specifically defined geographic areas called TIF Districts or Zones, and typically referred to as just TIFs.
- B. TIFs can be a very powerful tool by allowing a community to redirect a portion of new revenue for investment into new revenue producing ventures.
- C. TIF funds accrue over time. Prior to the 2008 financial crisis, it was typical for communities to issue bonds backed by assumed TIF revenues. However, this financing mechanism has become less common with the decline in real property values.
- D. TIF funds can be used for a wide variety of property investments and improvements. In the context of Beachwood, the most likely uses would be:
  - i. Funding of loan funds to support real property improvements by building owners.
  - ii. Acquisition of property and construction of real property improvements to support economic development.
  - iii. Construction of new or upgraded utility infrastructure.
  - iv. Construction of community owned, shared infrastructure such as parking.
- E. TIFs require careful consideration of school impacts, and various levels of notice and revenue sharing with schools are required depending on the type and level of TIF that is implemented.
- F. It should be noted that TIFs do not reduce governmental revenue, they redirect it. Therefore, the use of Enterprise Zones or Community Reinvestment Areas to reduce taxes as an incentive for job growth will reduce TIF revenues.
- G. Whereas the SID and NCA is administered by an outside organization, the TIF will be administered internally within the City. Once implemented, the administration of the TIF should require minimal staffing and is normally handled by a City economic development director.
- H. TIFs can be used to spur both permanent job creation projects and more speculative real property improvements.

**2. ESTABLISH A COMMUNITY REINVESTMENT AREA AT SCIENCE PARK**

- A. Unlike Chagrin Highlands and Commerce Park, Science Park is fully built out with high quality infrastructure. Therefore, the City should consider putting in place a Community Reinvestment Area (CRA) tax incentive. This incentive could abate a portion of increased real property valuation for job creation projects.
- B. Because there is strong infrastructure in Science Park, any major expansions in real property would likely be highly price sensitive and have little need for increased infrastructure that could be financed through a TIF.
- C. To qualify for a CRA, investments should be required to reach high wage, investment and building thresholds, similar to those laid out in other programs.

**3. BEACHWOOD OPPORTUNITY SITES STRATEGY REVOLVING LOAN FUND**

- A. Establish a Beachwood Opportunity Sites Strategy Revolving Loan Fund to assist with property improvements needed by building owners for projects that can demonstrate that they are creating or retaining jobs.
- B. Initially capitalized at \$100,000 and grown utilizing funds raised through a new Tax Increment Financing (TIF) Program.
- C. Eligible projects would include specific building and façade improvements that are linked with specific businesses. Businesses should demonstrate that they are creating or retaining jobs, that they are signing leases for longer than 5 years.
- D. This program would be open to businesses and property owners in any of the four Beachwood Opportunity Sites.

**4. SPECIAL IMPROVEMENT DISTRICTS (SIDS) AND NEW COMMUNITY AUTHORITIES (NCAS)**

- A. If the City finds a motivated group of property owners within Commerce Park or another targeted area, it can seek to set up a SID or an NCA so that the property owners can voluntarily tax themselves to support community improvements.
- B. In the case of Commerce Park, the SID or NCA funds could be used to:
  - i. Upgrade streetscapes
  - ii. Acquire and improve property for shared use (i.e. parking and storm water retention)
  - iii. Pay for road improvements such as improved ingress or egress
  - iv. Provide for improved utilities, such as telecommunications
- C. SIDs and NCAs can be complex legal structures and each variation comes with its own pros and cons. With that said, the benefits of SIDs and NCAs are:

- i. No additional funds taken from City revenue streams.
- ii. The majority of property owners in an area must voluntarily agree to the additional assessments.
- iii. Property owners must be part of the governing structure to the SID or NCA along with the City.

**5. LEVERAGING CITY FIBER OPTIC NETWORKS**

- A. The City of Beachwood is currently working on plans to build a fiber optic network to provide services to city buildings, libraries and school facilities.
- B. Fiber optic access is a key utility for modern, knowledge based companies. Security and redundancy in fiber optic access can be a key selling point, as is the ability to choose from multiple carriers.
- C. The City of Beachwood should use a public private partnership to advance its fiber optic network and provide new economic development opportunities.
  - i. To do this the City should seek proposals from private fiber network operators to manage the City's fiber network and use excess capacity to support economic development within the City.
  - ii. Different models for leveraging municipal for economic development fiber exist. Some communities offer fiber reduced rate fiber as an incentive to do business. Other communities offer fiber at market rates to a variety of carriers to offer services.
  - iii. Any fiber strategy will need to consider the implications for existing providers.
  - iv. An RFP should also seek ideas on how to extend the municipal fiber network.

**6. CONSIDERATION OF A BEACHWOOD CONVENTION AND VISITORS BUREAU**

- A. The City of Beachwood currently has a significant number of hotel rooms and is considering proposals for additional hotel space.
- B. To encourage the further development of this industry, the City should study proposals to create a Beachwood Convention and Visitors Bureau.



## COMMERCE PARK (CP) REVITALIZATION

**PREMISE:** The Commerce Park Redevelopment Study of March, 2011 identified a number of key problems. Among these are:

1. Access: Need for access to both Chagrin-Highlands and Harvard Road.
2. Building Obsolescence: Aging buildings constructed for specific uses which are not efficient for new uses or new types of potential tenants.
3. Parking: Need for a coordinated parking strategy to meet the needs of the Park's occupants and enable more strategic planning for the future.
4. Zoning that may be too broad-based to focus the Park's development in a strategic way.
5. Lot Configuration: Multiple ownership of long and narrow properties that is not conducive to redevelopment for new uses.
6. In recent months, there has been a consolidation of property ownership within Commerce Park that should enable revitalization to be accomplished much more expeditiously.

### RECOMMENDATIONS:

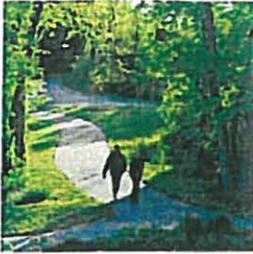
1. CP3 PARTNERSHIP: The City of Beachwood should establish a Public/Private Partnership to guide the revitalization of Commerce Park with the purposes of:
  - A. Coordinating the redevelopment strategy for CP.
  - B. Receiving and expending funds to advance the mission of CP.
  - C. Serving as Project manager, and Coordinating and obtaining funding for specific public/private partnership projects.
  - D. Serving as the agent of the City of Beachwood in the CP revitalization strategy;
  - E. Ownership of real estate.
  - F. Providing services of value to CP property owners and tenants.
  - G. Liaison with potential partners such as the Greater Cleveland Partnership, TeamNEO, Cuyahoga County, the Cleveland Port Authority, and the Cuyahoga County Land Reutilization Corporation (Land Bank).
  - H. Membership of the CP3 would include:
    - i. Mayor
    - ii. City Council
    - iii. CP Property ownership representation
    - iv. Beachwood Schools

- v. Chamber of Commerce
  - vi. Others
- I. The CP3 Partnership would be organized to provide the greatest opportunity to aggressively pursue CP revitalization, with the appropriate accountability, transparency and focus. It could be structured under one of several potential statutory structures:
    - i. Development Corporation under Ohio Revised Code 1726;
    - ii. Community Redevelopment Corporation under Ohio Revised Code 1728;
    - iii. New Community Authority under Ohio Revised Code Chapter 349; or
    - iv. Community Improvement Corporation under Ohio Revised Code Chapter 1725.
    - v. The specific type of organization would be determined after review by the Board, the City and property owners.
  - J. The CP3 would operate on a sustainable model that will not need any operating staff until determined necessary by the Board. Its work would be conducted under contract based upon available funding sources.
  - K. Services for Property Owners and Tenants: In collaboration with property owners and the City of Beachwood, the CP3 could provide services to property owners and tenants above basic city services that would enhance the attractiveness of CP as a strong location. Services could include cleaning and maintenance, safety and security, outreach, marketing and promotions, special events and targeted capital investment. Services would eventually be funded through the establishment of a Special Improvement District (see below)
2. The City of Beachwood should complete a Commerce Park Economic Development and Master Plan to do the following:
    - A. Evaluate the specific market opportunities and make recommendations to position Commerce Park as a key strategic location for future-oriented business growth in Northeast Ohio.
    - B. Identify specific target business markets that make sense for Commerce Park, specifically focusing on:
      - i. A strategy that brings new businesses to Northeast Ohio and Beachwood rather than moving businesses from one location to another;
      - ii. Supply chain businesses that are affiliated or do business with corporations located in and near Beachwood;
      - iii. Facilities that are attractive for entrepreneurial development or small businesses, through a private-sector incubator model (as distinguished from the prior BDC);

- iv. Retail and/or service businesses that support the tenants in CP and the wider region (such as targeted retail, child care, business services)
- C. A detailed evaluation of the current infrastructure assets of Commerce Park along with recommendations for improvements necessary for future development.
- i. Sustainable development principles will be followed in all plans, to the greatest extent possible.
  - ii. Parking: Location of current parking and recommendations for repositioning parking into centralized locations (and perhaps a parking deck) that would serve the needs of all of the businesses in CP without reducing convenience.
  - iii. Street: Street layout, capacity, access points, with specific planning for access to Chagrin-Highlands and Harvard Road;
  - iv. Storm water and sanitary sewer: Evaluation of current and future needs based upon the reconfiguration of CP and redevelopment of sites.
  - v. Land Use: Consideration of Performance Based Zoning to plan for future development that restores an attractive, cohesive and flexible plan that encourages business location; Consideration for mixed-use development along the outer edge of Commerce Park.
  - vi. Telecommunications: Assuring the necessary infrastructure for future-oriented telecommunications, wireless, secure fiber with multiple carriers.
  - vii. Supportive Amenities: Consideration for usable green and common space, sidewalks, and lighting;
  - viii. Signage: Developing a common-theme for signage and way-finding for the Park.
3. Identify specific action steps that will support the repositioning of CP, including but not limited to:
- A. Potential for development of the current City-owned facility as a first step in the revitalization strategy. We specifically recommend that the City issue a Request for Proposal (RFP) to identify potential alternative uses for the facility.
    - i. The RFP would help to attract interest from private developers and would not obligate the City to take any specific action unless deemed in the best interests of the City.
    - ii. Evaluation of RFP responses and of potential financial support for projects should be based upon the developer proposing a plan that demonstrates that it would grow value-added jobs for the City, that the developer possesses the financial resources and experience for success, and that any city investment would bring additional benefits beyond what could be accomplished without the subsidy.

- iii. If the City receives a proposal proactively prior to deciding to issue an RFP, the City should consider them quickly and based on the ability of the developer to demonstrate the same success factors outlined above.
  - B. Strategic property acquisition by the City or a partner for the purpose of necessary infrastructure improvement or alternative property configuration.
  - C. Evaluation of the property to the east of CP that is owned by the First Catholic Slovak Ladies Association.
    - i. This property could serve as a key catalyst for CP revitalization by expanding the options for new development opportunities.
    - ii. Care should be taken when evaluating this option as the property serves as a buffer between the park and residential property to the east.
- 4. Financial resources for CP revitalization:
  - A. Beachwood Capital Improvement Plan: The City of Beachwood should do an annual Capital Improvement Plan (CIP) that identifies the needed improvements for street repairs, storm and sanitary sewers, fiber, community services, and other priorities.
    - i. The CIP should look ahead for multiple years (recommended three) and provide a strategy for funding critical improvements for the City.
    - ii. The CIP should include the improvements recommended in the Commerce Park Master Plan. Items included in the CIP budget for Commerce Park would be shared with the CP3 Partnership and the Special Improvement District, if implemented.
  - B. Tax Increment Financing (TIF): As outlined in the Toolkit section of our recommendations, a TIF should be put in place to help fund improvements to CP.
    - i. In the case of Commerce Park, TIF funds could be utilized for street and sidewalk improvements, signage, sanitary and storm sewer improvements, parking facilities, and a variety of property development activities. A TIF could also support the ongoing maintenance of infrastructure within the District.
    - ii. In the early years of a TIF, revenue will be small. Typically funds are accumulated in the early years for investment at a later point in time. When a redevelopment takes place, the funds available through the TIF are typically much greater.
    - iii. After the TIF has been in place for a few years, the City has the ability to issue debt to support capital improvements. This relieves pressure on the City's Capital Improvements Plan. TIF funds may also be used to provide a form of guarantee to a developer who makes public improvements needed at the early stage of a development.

- C. In the future, CP enhancements could be funded through either a Special Improvement District (SID) or a New Community Authority (NCA):
  - i. Both options require a voluntary increase in fees or taxes to be voted on by the property owners in the proposed district. We do not believe that there is sufficient support in CP to successfully mount a campaign for a SID or NCA at this time. However, as the situation in CP changes, the City should keep these tools in mind.
- D. Special Improvement District (SID).
  - i. The SID would be made up of CP property owners. In partnership with the City, the SID would develop a set of extra services that would enhance CP as a destination location.
  - ii. A budget for those services would be developed and agreed upon by the property owners. Services above those provided by the City would be funded through an assessment agreed upon by property owners. Property owners determine every aspect of the plan for services, including the types of services offered and length of term.
  - iii. The assessment plan would be agreed upon by property owners and could be based on several different formulas options, including square foot, front-footage, assessed value, or others.
  - iv. Because a SID assessment is similar to a property tax, SIDs requires legislative authorization by the local government.
- E. New Community Authority (NCA).
  - i. A New Community Authority can raise funds for public improvements by adding an additional assessment on property within a defined district.
  - ii. NCA funding has been utilized to construct community facilities, schools, police/fire stations, and recreational improvements that will benefit the area.
  - iii. An NCA involves the establishment of an Authority, made up of representatives of the area, which develops a Capital Improvements Plan in partnership with the CP3 and the City.
  - iv. An additional assessment is placed on property within the area and collected as part of the annual property tax collection process. Funds are allocated to the Authority for approved uses.
  - v. In the early years of a NCA, funds will be accumulated in the Authority for investment at a later time or the issuance of bonds secured by the NCA revenue.



## BEACHWOOD ENTREPRENEURSHIP AND SMALL BUSINESS RECOMMENDATIONS (ESB):

**PREMISE:** The ESB Recommendations reflect the opportunities to promote ESB in Beachwood. They reflect an analysis of previous activities and significant programs in place in NE Ohio. These include:

1. Beachwood should seek to encourage small business and entrepreneurship in a way that supports new businesses to start up/move to Beachwood and to support those businesses that are already in the community.
2. Beachwood should capitalize on the presence of significant larger employers such as the Cleveland Clinic, University Hospitals, Bank of America to promote small business growth and entrepreneurship, by focusing on businesses that serve the larger employers.
3. Beachwood should focus its activities on collaborating with the many organizations in NE Ohio have programs that have received statewide and national recognition for supporting entrepreneurship and small business growth. This will enable the City to leverage its limited resources in a significant way. These programs and organizations include:
  - A. JumpStart: Provides entrepreneurial assistance and helps access financing through a range of technical assistance and capital programs.
  - B. BioEnterprise: Supports business formation, recruitment, and acceleration initiative designed to grow health care companies and commercialize bioscience technologies, and is affiliated with the Cleveland Clinic, University Hospitals and Case Western, and others.
  - C. Nortech: Promotes growth of technology based businesses; and
  - D. Business Financing Programs: Cleveland Capital Corporation that provides small business financing along with the Small Business Administration.
  - E. The Cuyahoga County Small Business Development Center at Cleveland State University.

### **RECOMMENDATIONS:**

1. Beachwood Opportunity Fund (BOF): The City of Beachwood should establish a focused loan fund to promote early-stage, high growth technology companies in Beachwood.
  - A. Initial capitalization of \$100,000 from the City of Beachwood
  - B. Fund would make loans to businesses with strong business plans that are located in, or commit to locating in, Beachwood.

- C. Fund would be a member of the JumpStart Entrepreneurial Network which is a group of entrepreneurial support organizations supporting Northeast Ohio entrepreneurs. The Network provides entrepreneurs a place to start their search for support and provides them with the right resources they need at the right time to grow their businesses. Members of the Network include pre-seed and seed funds, incubators, and business advisors.
  - D. JumpStart, Inc. would be responsible for evaluating business applicants to determine their eligibility for financing, as well as managing the “back office” operations of the program itself.
    - i. By working in Partnership with JumpStart, Beachwood will be able to significantly leverage its resources by taking advantage of the expertise and experience of the JumpStart staff.
2. The City of Beachwood should establish an active Business Retention and Expansion (BRE) Initiative. For small businesses, the City should consider developing a joint program with the Beachwood Chamber of Commerce.
    - A. A regular visitation program that assures at least annual meetings with key employers, and seeks to identify opportunities and issues that employers are facing. For this purpose, the City could contract with an individual to serve as a BRE Executive who has primarily private sector experience, perhaps a retired executive.
  3. The Recommendation for the Master Plan and Economic Development Strategy for Commerce Park calls for the issuance of a Request for Proposal for potential redevelopment of the current City-owned facility to include a private-sector driven entrepreneurial center.
  4. The Beachwood Chamber has an excellent reputation for working to support and grow the City's small businesses, through their sponsorship of a variety of networking opportunities the Fast Track Seminars on business skills, and the outreach efforts of the Chamber's leadership and executive staff. These efforts should continue in the future and the City should seek ways to further collaborate with the Chamber in this area.
  5. Small businesses want what all businesses and residents want: A quality of life and a breadth of services that helps maintain a community as a good place to do business. As such, Beachwood should maintain the current high quality of its public services, responsive local government, streamlined business permitting and other services.



## ECONOMIC DEVELOPMENT ORGANIZATION

**PREMISE:** During the work assignment in Beachwood, a number of issues and opportunities arose which helped guide the development of a series of recommendations around an economic development organization for Beachwood. These are:

1. Other than the services contracted for to provide economic development assistance, there is very limited economic development practitioner expertise being brought to bear for the benefit of the City of Beachwood.
2. Most of the initiatives identified as needing to be executed will require full-time staffing support.
3. Given the relative lack of staffing support in surrounding communities, the City of Beachwood is positioned well to differentiate the community through developing a professionally staffed organization.
4. The State of Ohio, through the JobsOhio initiative, is "outsourcing" many economic development activities to each of the five regions across the state. This provides a unique opportunity for Beachwood to become a strong partner with the region serving the City, Team Neo.
5. Given Beachwood's size and maturity, we believe that a variable cost model with one director level economic development professional is most appropriate. That person will be charged with managing a series of outside experts that bring the best talent to Beachwood on an as needed basis.

### RECOMMENDATIONS:

1. Hire a full-time Director of Economic Development. A position description, recommended qualifications and suggested salary range has been provided to the City.
2. Working with the City's Building Commissioner, Community Services Director and others, evaluate and acquire the following systems and subscription services:
  - A. Research Tools-Hoover's online, One Source, Harris Selectory. These tools will be useful in both marketing and business retention activities.
  - B. Investigate the City's geographic information system and evaluate its effectiveness in supporting economic development efforts.
  - C. Contact Management Systems. Such services as SalesForce, Executive Pulse and others useful in prospect servicing and existing business services.
  - D. Site and building database
3. Develop a world-class online presence, including website, to support the City's economic development efforts. The site will need to include:

- A. A variety of content types (text, data tables, site and building records, maps, etc.) allowing individuals and consultants to fully investigate the City of Beachwood for job creating investment.
  - B. Contain functionality allowing staff and economic development allies to generate reports, data tables, maps, etc. in support of their own program of work.
  - C. Integrate appropriate social media channels (LinkedIn, SlideShare, Flickr, AddThis).
  - D. Integrate on and off page search engine optimization techniques and content.
4. Develop and maintain productive relationships with other economic development organizations, including JobsOhio, TeamNeo, the City of Cleveland's economic development office, The Greater Cleveland Partnership, Cuyahoga County economic development officials, Small Business Association, the Economic Development Administration, and others.
  5. Using the resources identified in the attraction program of work, aggressively market the City for job creating investment.
  6. Participate in state, regional and national organizations supportive of achieving the City's goals for economic development. These include the Ohio Economic Development Association, the Mid-American Economic Development Association, the Industrial Asset Management Council, etc.

# Plan Timing

The volume and scope of the recommendations outlined in this report are ambitious, but the city established a Department of Economic Development and brought on a new Economic Development Director and direction has been set since the year-end of 2022 to support full implementation of this action plan. The City of Beachwood will use these recommendations to establish and operate a best-in-class economic development program in the next few years.

## Over the past 2 years, the city has:

- Set new incentives to support the overarching goals and objectives. This includes the implementation of several economic development tools including **Property Assessed Clean Energy (PACE)**, a new \$1 million-dollar **Revolving Loan Fund (RLF)** to support efforts commercial revitalization and business investment in emerging cluster industries.
- Established a **Community Improvement Corporation (CIC)** of which the board of directors of the CIC may advance the development and commercial revitalization goals of the City of Beachwood. Two committees have been formed through the CIC, the **Loan Review Committee**, which will assist in the implementation of a City of Beachwood established Revolving Loan Fund (RLF), and the **Innovation Committee**, which will assist in fostering an ecosystem supporting new opportunities and investments in the areas of business commercialization, innovation, technology, research and development. Lastly, the department has put into place two loan programs supported under the established CIC to guide reinvestment in commercial buildings along with supporting innovation in our emerging cluster industries.
- The City of Beachwood has also established a new **One-Stop Business Resource Center** to assist companies with concierge services and handheld support for their growing business needs.
- Implemented a **Business Retention and Expansion Program (BRE)** to prioritize growth for existing businesses in the city. The city has established a new **Customer Relationship Management System** that allows deep relationship building through multiple networks and has guided collaboration with the Beachwood Chamber of Commerce. The city and the chamber are playing an active role in supporting future business growth.
- Set a new **Targeted Marketing Strategy** in place to actively seek out-of-region and out-of-state attraction opportunities including digital marketing focusing on site selection opportunities within Beachwood for office, retail and commercial/ industrial sites.
- The city is putting a strong focus on **regionalism**, by supporting Beachwood and the greater region as well. The city intends to guide the future of Beachwood in new and unique ways, while supporting the greater Northeast Ohio region.

## Over the next three years, the city expects to:

- Position New Land Development Opportunities and Existing Site Inventories for further growth and investment. Completing all necessary due diligence for the active marketing of new site opportunities to targeted prospects.
- Position Future Opportunities for Commercial Revitalization within Commerce Park.
- Implement Tax Increment Financing in Key Development Areas.
- Build the Revolving Loan Fund and the Community Improvement Corporation.
- Work with workforce partners to build an Entrepreneurial Center, opportunities and talent.
- Hire additional staff to support business retention and expansion, relationships and concierge business services.
- Branding Beachwood to focus on the city's amenities as a brand builder for business attraction.