FILE NO. 1275-2024-A

DEPARTMENT OF ECONOMIC DEVELOPMENT SUMMARY FOR THE LEGISLATIVE FILE

ORDINANCE NO: <u>1275-2024</u>

Recipient:

Team Wendy, LLC

Project Manager:

Robin Brown 10 / Hairston

Ward/Councilperson:

Job Creation Income Tax Incentive

<u>City Assistance:</u> Project Site:

17000 St. Clair Avenue

Company/Project Background

Team Wendy, LLC ("Company") is an Avon Protection company based out of Cleveland, Ohio since 1997, developing and manufacturing leading-edge products that serve to protect against serious impact-related injuries. The Company has a long-standing partnership with the U.S. Military and National Industries for the Blind, supplying more than seven million helmet pad systems to men and women in uniform since 2005.

The Company's current operation comprises 165,000 square feet of manufacturing, testing, engineering, an chemistry lab space.

The Company plans to locate approximately 200 new employees and \$15,000,000 in additional annual payroll ("Project") at its existing 17000 St. Clair Avenue location ("Project Site") because of the closure of another facility in Irvine, California, and increased customer demand, particularly from the Department of Defense. The Project Site, known as the Cleveland Industrial Innovation Center, is nearly 1,000,000 square feet of industrial R&D, manufacturing, and lab space, providing ample room for the Company's expansion. Job roles to be created by the Project include but are not limited to production, engineering, quality control, process improvement, and business development.

The Project will also retain the existing 200 jobs and \$10,000,000 in annual payroll at the Project Site, bringing the Company to a total of 400 jobs and \$25,000,000 in the City of Cleveland ("City").

In order to assist with the Project financing, the Company has requested to enter into a Job Creation Income Tax Credit agreement ("Incentive") with the City. The proposed Incentive would provide an annual 50% credit back the Company based on the additional income tax created by the Project, for a period of 5 years.

Economic Impact

- Retention of 200 full-time equivalent jobs, with an annual payroll of \$10,000,000.
- Creation of 200 full-time equivalent jobs, with an annual payroll of \$15,000,000 expected to generate \$375,000 in income tax revenue.

City Requirements

• Project is subject to a Workforce Development Agreement