



**CITY OF WESTLAKE, OHIO  
ORDINANCE NO. 2015-55:**

**AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN EXTENSION AGREEMENT WITH HYLAND SOFTWARE, INC. FOR THE PROVISION OF INCENTIVES AVAILABLE PURSUANT TO THE CITY'S JOB CREATION GRANT PROGRAM, AND DECLARING AN EMERGENCY.**

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**WHEREAS**, Council, by and through Ordinance No. 2009-67, as amended by Ordinance No. 2010-64, authorized the Mayor to enter into an agreement with Hyland Software, Inc. for the provision of incentives available pursuant to the City's Job Creation Grant Program established by and through Ordinance No. 2007-36, as amended, for the expansion of their existing software development headquarter operation; and

**WHEREAS**, Section 19 of said Agreement allows for a four (4) year extension by mutual agreement of the parties; and

**WHEREAS**, Hyland Software, Inc. has requested an extension of said Agreement

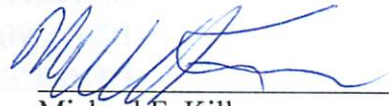
**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF WESTLAKE, COUNTY OF CUYAHOGA AND STATE OF OHIO:**

**Section 1:** That the Mayor be and he is hereby authorized and directed to enter into a Job Creation Grant Extension Agreement with Hyland Software, Inc. upon the terms and conditions set forth in Exhibit "A" attached hereto and incorporated herein as if rewritten with such revisions as may be made by the Director of Law without changing the substance thereof.

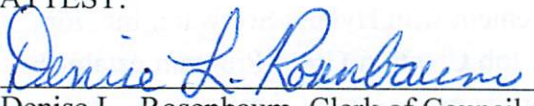
**Section 2:** That it is found and determined that all formal actions of this Council concerning and relating to this legislation were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements including Section 10, Article XI of the Charter of the City of Westlake and Section 121.22 of the Ohio Revised Code.

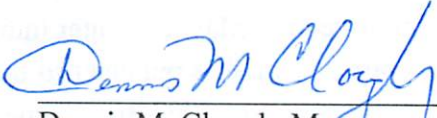
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**Section 3:** That this legislation is hereby declared to be an emergency measure immediately necessary for the preservation of the public health, safety, and welfare as an emergency measure is necessary to provide for the extension of the grant program, and further provided it receives the affirmative vote of two-thirds of all members elected to Council, it shall take effect and be in force upon its passage and pursuant to the Charter of the City of Westlake.

Passed: 4/16/15 \_\_\_\_\_  
  
Michael F. Killeen  
President of Council

Presented to the Mayor: 4/17/15 \_\_\_\_\_ Approved: 4/17/15 \_\_\_\_\_

ATTEST:  
  
Denise L. Rosenbaum, Clerk of Council

  
Dennis M. Clough, Mayor

I, Denise L. Rosenbaum, Clerk of Council of the City of Westlake do hereby certify that Ordinance/Resolution no. 2015-55 adopted 4/16/15 was duly posted on 4/17/15 and remained posted for a period of 15 days thereafter in not less than 2 of the most public places in the City as determined by the Charter of said City.



## JOB CREATION GRANT EXTENSION AGREEMENT

This Agreement made and entered into by and between the **CITY OF WESTLAKE, OHIO**, a municipal corporation with its main offices located at 27700 Hilliard Boulevard, Westlake, Ohio 44145 ("**Westlake**") and **HYLAND SOFTWARE, INC.**, an Ohio corporation with its main offices located at 28500 Clemens Road, Westlake, Ohio 44145 ("**Hyland**").

### WITNESSETH:

WHEREAS, the parties previously entered into a Job Creation Grant Agreement on the 24<sup>th</sup> day of June 2009 by and through Ordinance No. 2009-67 as amended by 2010-64; and

WHEREAS, Section 19 of said Agreement authorized a mutual extension for a period of four (4) additional years; and

WHEREAS, the parties desire to extend said Agreement under the following additional terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained and the benefit to be derived by the parties from the execution hereof, the parties herein agree as follows with regard to this Extension Agreement:

A. Section 1 of said Agreement is hereby amended as follows:

"1. Hyland shall be eligible for the Job Creation Grant Program for a period of ~~six (6)~~ four (4) years ~~from the effective date of this Agreement~~ commencing January 1, ~~2009~~15 under the terms and conditions as provided for herein."

B. Subsection 2 (D) "Base Payroll" is hereby amended as follows:

"2. Definitions.

As used in this Agreement:

D. "Base Payroll" means the amount of Base Payroll for the year ended December 31, ~~2008~~14 of ~~Forty-Five Million Nine Hundred Sixty-Three Thousand Eight Hundred Ninety-Five Dollars and Zero Cents (\$45,963,895.00)~~ Forty-Nine Million Three Hundred Sixty-Eight Thousand Five Hundred Eighteen Dollars and Zero Cents (\$49,368,518.00)."

C. Subsection 2 (E) “As Adjusted Base Payroll” is hereby amended as follows:

“E. “As Adjusted Base Payroll” means the Base Payroll for the year ending December 31, 200915 adjusted by the 12 month Employment Cost Index for wages and salary for private industry by Midwest (ENC) Region (“ECI”). For each subsequent year, As Adjusted Base Payroll shall be calculated by adjusting the prior years As Adjusted Base Payroll by the ECI.”

D. Subsections 4 (A)(1), (B) & (C) are hereby supplemented and amended as follows:

4. Job Creation and Retention.

“A. As of December 31, 200814, Hyland employed ~~seven hundred thirty (730)~~ one thousand three hundred thirty-four (1,334) Employees in Westlake. Hyland projects to employ in Westlake within a time period not exceeding ~~seventy-two (72)~~ forty-eight (48) months after the effective date of this Agreement, the equivalent of ~~seven hundred forty-six (746)~~ two hundred fifty-seven (257) additional Employees to reach and maintain a total of ~~one thousand four hundred seventy-six (1,476)~~ one thousand five hundred ninety-one (1,591) such employees.

1. Hyland’s projected schedule for total Employees and projected total annual Payroll is as follows:

Year	Total Projected Annual Additional Employees	<u>Projected Increase</u>	Projected Total Annual Payroll
2009	75		\$48,981,375.00
2010	90		\$52,577,578.00
2011	108		\$56,887,050.00
2012	130		\$62,069,122.00
2013	156		\$68,305,100.00
2014	187		\$75,795,790.00
<u>2015</u>	<u>67</u>	<u>\$3,335,000.00</u>	<u>\$92,222,213.00</u>
<u>2016</u>	<u>70</u>	<u>\$3,501,750.00</u>	<u>\$95,723,963.00</u>
<u>2017</u>	<u>74</u>	<u>\$3,676,838.00</u>	<u>\$99,400,800.00</u>
<u>2018</u>	<u>46</u>	<u>\$2,316,408.00</u>	<u>\$101,717,208.00</u>

B. The job creation period begins and the effective date of this Agreement shall be January 1, 200915 through December 31, 201418.

C. Hyland projects the above increases in the number of Employees will result in approximately ~~Twenty-Nine Million Eight Hundred Thirty-One Thousand Eight Hundred Ninety-Five Dollars and Zero Cents (\$29,831,895.00)~~



Forty-Two Million Six Hundred Sixty-One Thousand Eight Hundred Eighty-Nine Dollars and Zero Cents (\$42,661,889.00) of additional annual Payroll in Westlake from the inception of the Job Creation Grant Agreement in 2009 through the extension period of 2015-2018 when the projected maximum employment level is achieved ~~in 2014.~~”

E. Table 1. Grant Payment Eligibility Guide is hereby supplemented as follows:

“Table 1. Grant Payment Eligibility Guide

Year	Minimum Incremental Employees in Grant Year from 12/31/08 to Receive Incentive (Cumulative)	Minimum Incremental Payroll from 12/31/08 to Receive Any Grant (Cumulative)	Incremental Total Payroll Projected at 100% from 12/31/08 (Cumulative)
2008			
2009	30	1,508,740.00	3,017,480.00
2010	82	3,306,842.00	6,613,683.00
2011	136	5,461,578.00	10,923,155.00
2012	201	8,052,613.00	16,105,227.00
2013	279	11,170,603.00	22,341,205.00
2014	373	14,915,948.00	29,831,895.00
<u>2015</u>	<u>67</u>	<u>\$16,583,447.00</u>	<u>\$33,166,893.00</u>
<u>2016</u>	<u>70</u>	<u>\$18,334,322.00</u>	<u>\$36,668,643.00</u>
<u>2017</u>	<u>74</u>	<u>\$20,172,741.00</u>	<u>\$40,345,481.00</u>
<u>2018</u>	<u>46</u>	<u>\$21,330,945.00</u>	<u>\$42,661,889.00”</u>

F. Subsection 5 (B) is hereby amended as follows:

“5. Issuance of Grant.

B. For purposes of calculating the Grant, the annual Payroll amounts shall be determined by subtracting from each applicable year’s total Payroll, the As Adjusted Base Payroll. ~~This amount is the Payroll Subject to Grant.~~ The Payroll Grant is based on the unrestricted portion of the Payroll Tax which is 1%. The maximum Grant rate in ~~any~~ year 2015-18 shall be ~~75~~ 35%.”

G. Table 2. Effective Grant Rate Based on Cumulative Projected Payroll is hereby amended as follows:

“TABLE 2. EFFECTIVE GRANT RATE BASED ON CUMULATIVE  
PROJECTED PAYROLL (SEE TABLE 1):

	<u>Reduction Rate</u>	<u>Grant Rate</u>
100% or more		<del>0.75</del> <u>35%</u>
90% - less than 100%	5% reduction	<del>0.7125</del> <u>30%</u>
80% - less than 90%	10% reduction	<del>0.6750</del> <u>25%</u>
70% - less than 80%	15% reduction	<del>0.6375</del> <u>20%</u>
60% - less than 70%	20% reduction	<del>0.6000</del> <u>15%</u>
50% - less than 60%	25% reduction	<del>0.5625</del> <u>10%</u>
Less Than 50%		No Grant"

H. All of the remaining terms and conditions of the Agreement shall remain in full force and effect during the extension period granted by this Agreement.

IN WITNESS WHEREOF, the respective representatives of the parties have executed this Agreement on the \_\_\_\_ day of April, 2015.

**CITY OF WESTLAKE:**

**HYLAND SOFTWARE, INC.:**

By: \_\_\_\_\_  
Its: Mayor  
Printed: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Printed: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
John D. Wheeler, Esq.  
Director of Law