



NEWS RELEASE From Mayor Dean DePiero

FOR IMMEDIATE RELEASE
Monday, October 4, 2010

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PARMA'S BUSINESS FRIENDLY ATTITUDE PRODUCING POSITIVE RESULTS

(PARMA) – The Great Recession has made sure these are not the best of times for any city in America. On the other hand, creativity has become the mother of survival. Cities such as Parma have been busy building upon existing partnerships with businesses while finding new ways to persuade companies to stay and expand. Mayor Dean DePiero says watching successful companies pack their tents and move to greener pastures, shaking the foundation of the city's tax base, is not an option.

“We're extremely lucky to have a diverse community in both our population and the personalities of our business partners,” said Mayor DePiero. “I have no doubt that cities are pulling out all the stops in order to maintain economic stability for the smallest business partner to the biggest corporate taxpayer.”

The good economic news for Parma's fabricating plant at the General Motors facility has fueled optimism for the city's bottom line. GM's decision to keep the Parma plant operating created a core of stability for the future. In addition, high-tech equipment from shuttered GM plants was shipped to Parma, positioning Parma Chevy on an enviable track for the next generation of automobile manufacturing. Parma's other large employers like GrafTech, Parma Community General Hospital, Marc's Deep Discount stores and the western campus of Cuyahoga Community College are maintaining or expanding their local workforce. Both GrafTech and Marc's are headquartered in Parma. Most noticeable might be the growth taking place at Parma's smaller businesses, pockets of prosperity according to Community Services/Economic Development Director Erik Tollerup. He calls them well-oiled machines helping to drive and stabilize Parma's economy in a positive and prosperous direction.

“Our city maintains an aggressive attitude in offering local or state grant assistance to keep our smaller business partners in town,” said Director Tollerup. “I sometimes feel like a matchmaker, using the economic tools we have available as an incentive to complement smart decisions by local business owners.”

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One such example is the recent announcement that Constellation Schools, LLC has purchased the former Pat Catan building on Snow Road to house its administrative offices. The deal retains 48 full-time jobs with an additional eight full-time positions planned over the next five years. Sealing the deal was Parma's Commercial Revolving Loan program.

"Having the ability to loan money at a 2 to 3% interest rate in this economic climate is a lifeline for small business," said Director Tollerup. "The pool of money is part of our annual Community Development Block Grant allocation from the Department of Housing & Urban Development. This \$80,000 loan will be our largest ever, and likely our most successful to date."

Other smaller corporate success stories include Melin Tool, Japanese-owned OSG/Sterling Die and Chelm Properties. Melin Tool has plans to expand into the Venture Drive plant now occupied by Sterling Die. Sterling is moving to a larger space on nearby Commerce Drive. In fact, Sterling Die was recently contemplating what it considered a cost-savings relocation move out of state to its corporate headquarters in Illinois. Director Tollerup says the company's decision to stay put was swayed by incentives offered by the City of Parma.

"The key is our Payroll Tax Rebate program where we share a portion of their tax revenue," said Director Tollerup. "Few communities in Cuyahoga County understand that 50% of something is better than 100% of nothing. We used this tool to extend our Payroll Tax Rebate Agreement with Sterling from 2011 through 2026 at 50% a year. Melin is renegotiating with the City at this time. Their Payroll Tax Rebate program expired in 2009 after a six year, 50% agreement. With their planned expansion in Parma, they are eligible for a new deal."

Mayor DePiero says the primary benefit of using Payroll Tax rebates is to avoid touching property tax revenue needed for schools. In addition, he says the bigger issue in partnering with Sterling Die and other businesses is the impact the global recession is having on companies both large and small.

"With a weak U.S. Dollar against the Yen, coupled with our incentives, it made more sense for Sterling to buy their own plant here in Parma and expand operations," said Mayor DePiero. "It's likely we may see 'outsourcing in reverse,' with Japanese-based production being moved to Parma. This is a prime example of our aggressive, yet business-friendly approach to bolstering our local economy."

In the meantime, construction continues on the \$7 million VA Outpatient Health Clinic on Brookpark Road, a project that will create nearly 300 jobs upon completion in the fall of 2011. The newly-built Third Federal Saving and Loan on Ridge Road is scheduled to open the first week of November. "Grand Opening" ceremonies have recently been held at the new Select Staffing office and Walgreen's, both on Rockside Road, as well as Babies 'R Us on Day Drive and Big Lots on Pleasant Valley Road.

"We want the message to get out that Parma is willing and many times able to help existing businesses grow, as we assist new businesses relocate to our city," said Mayor DePiero. "Parma has the economic tools, creativity, infrastructure and the right attitude to make good things happen for any business looking for growth opportunities. We welcome them to call Parma, Ohio home."

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