



Sherwin-Williams looking for new headquarters, company confirms

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By Jordyn Grzelewski, The Plain Dealer

CLEVELAND, Ohio – The Sherwin-Williams Co. on Thursday announced what has long been rumored: The downtown Cleveland-headquartered global paint company is looking for a new research and development facility and a new global headquarters.



Sherwin-Williams unfurls colorful 10-story banner on the side of its Prospect Ave. headquarters

The company is considering multiple sites, including locations in Cleveland, Northeast Ohio and “several other states,” according to a news release.

“The company’s significant growth and global expansion over the last several decades has resulted in a less than optimal configuration of headquarters, offices and R&D facilities across multiple locations,” said Sherwin-Williams Chairman and Chief Executive Officer John G. Morikis in a statement.

“Given the limitations of our current footprint and driven by the needs of our customers, we are exploring options that will help us to accelerate productivity and efficiency, enhance technology and innovation, enable greater collaboration, support recruitment and retention and reduce maintenance costs over the long term.”

Any transition to new facilities is not expected to occur until 2023, at the earliest, and requires board approval.

Joe Roman, president and chief executive officer of the Greater Cleveland Partnership, a regional economic development organization, called the company's search for new facilities a natural step for a growing company.

"This announcement is a completely natural thing for a company that is growing at their speed, in a building that is as old" as their headquarters, he said. "I believe it is the right step for them to take, to look at all of the options that make that company" competitive.

"I think we'll compete very well in that process," he said of the region.

Roman described the company as "incredibly significant" in terms of employment in the region.

There are 2,980 employees at the company's downtown headquarters and about 320 at the downtown R&D facility, according to Sherwin-Williams.

In terms of persuading the company to remain here, Roman said the most important factor will be to have the city, county and business community working together rather than competing against one another.

Asked whether it would be best for the company to stay downtown or whether a location elsewhere in the region would be a good outcome, Roman said, "I think the ideal scenario is that they stay in the region and become even more competitive in the right site for them. Of course downtown should be one of those. The major objective, at least from our organization, would be to find the spot for them here that keeps them competitive for the next 30 years. At the end of the day, that's what matters."

Asked about specific sites or other Northeast Ohio communities that may have been identified, a Sherwin-Williams spokesman said the company "is in the early stages of the exploration process." The company would not disclose the other states it is considering.

The company is considering a few different configurations, including:

- Building a new global headquarters.
- Building a new R&D center.
- Building a new combined R&D center and global headquarters.
- Staying in its current location and renovating.

Ward 3 City Councilman Kerry McCormack, who represents downtown Cleveland, said it's important that Sherwin-Williams remain downtown, both for Cleveland and for the company, as maintaining a downtown headquarters could help attract and retain talent.

McCormack said any incentives the city might offer Sherwin-Williams have not yet been discussed, to his knowledge, but “they are obviously a critically important company to Cleveland, downtown Cleveland, and we are standing ready to continue talking to them.”

“Obviously, it’s clear they need more space. It’s clear they need a better home,” said McCormack. “I think we definitely have it downtown. We have the ability to accommodate that. Beyond the spatial needs that are clear, and a more cohesive home for them, [Sherwin-Williams has] not expressed anything else” about incentives from the city.

City Council President Kevin Kelley said he has not yet been involved in any discussions about incentives that may be offered to Sherwin-Williams or specific sites at which the company is looking.

“I do not have anything in mind [in terms of incentives] at this point because it is so new,” he said. But, “If you look at a number of projects we’ve done ... we’re a good partner on these types of developments and we really value what Sherwin-Williams means to the community and we’ll make sure that they choose Cleveland for their eventual home.”

Mayor Frank Jackson’s press office did not respond to a request for comment.

John Boyd, principal at The Boyd Co., a New Jersey-based corporate site-selection firm, emphasized the significance of Sherwin-Williams’ announcement.

“This is a major, major project,” he said. “I would say that Sherwin-Williams, along with [the] Progressive [Co.] and the Cleveland Clinic, are really the three standard bearers of Cleveland’s corporate community. ... This will be an opportunity for Mayor Jackson and Gov. [Mike] DeWine, or [Cuyahoga County Executive] Armond Budish, to be on the clock, if you will.”

Boyd expects Sherwin-Williams to conduct a national site-selection search that may include top headquarters contenders such as Dallas, Atlanta and Charlotte, as well as cities that have universities whose programs align with Sherwin-Williams’ needs.

Other cities will likely be doing their best to attract the company. Bringing a corporate headquarters to town, Boyd said, is “the holy grail of economic development.”

The company’s current headquarters, there since 1930, is at 101 W. Prospect Ave., near the Rocket Mortgage Fieldhouse. The nearby Breen Technology Center is home to a Sherwin-Williams R&D facility. The company has multiple other facilities in Northeast Ohio at which it employs approximately 4,400 people.

Sherwin-Williams, which manufactures, develops, distributes and sells paints, coatings and related products, was founded in 1866 by Edward Williams and Henry Sherwin.

It operates more than 4,900 stores and employs about 60,000 across the world, according to information provided by the company.

In Ohio, Sherwin-Williams operates more than 200 paint stores and eight R&D and manufacturing facilities, employing more than 6,000 people in the state.

The company's sales totaled \$17.5 billion in 2018.

According to Sherwin-Williams, it pays about \$15 million in taxes to the city each year and has an employee payroll of more than \$500 million in Cuyahoga County.

Stock in the publicly-traded company opened at \$533 a share, quickly jumped to \$547, and was at about \$536 a few hours later.