

**OHIO TAX CREDIT AUTHORITY MEETING  
MEETING MINUTES  
MEETING DATE: JUNE 24, 2019**



The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:00 a.m. on June 24, 2019 in Columbus, Ohio by Lydia Mihalik.

Roll Call:	Lydia Mihalik, Chair	Present
	Darnita Bradley	Present
	Brian Cooper	Present
	Emmett Kelly	Present
	David Smith	Present

**Staff Members Present:** Rasheda Hansard, Eric Lindner, and Lisa Colbert

**Others Present:** Sarah Custer, Justin Bickle, Logan Dawson, Deborah Shear, Andrea Enders, and Ed Chatmon

**Minutes Approval:** Bradley made a motion to approve the minutes of the May 20, 2019 meeting. Cooper seconded. The vote was 5-0 yes. Voting Bradley, Cooper, Smith, Kelly and Mihalik.

**PROJECTS**

**McKesson Corporation** appeared before the Tax Credit Authority requesting a tax credit for a project in Fayette County. Mihalik made a motion to approve a tax credit of 1.500% for 8 years for McKesson Corporation in exchange for a commitment to create 42 new full-time equivalent employees generating \$2,500,000 in new annual payroll and retaining \$5,600,000 in existing payroll at the project location in in Fayette County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2020 and end on 12/31/2027. Cooper seconded. The vote was 4-0; Kelly abstained. All present voted yes.

**City Barbeque Group, Inc.** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Dublin, Franklin County. Mihalik made a motion to approve a tax credit of 1.439% for 7 years for City Barbeque Group, Inc. in exchange for a commitment to create 35 new full-time equivalent employees generating \$2,450,000 in new annual payroll and retaining \$3,651,017 in existing payroll at the project location in the City of Dublin, Franklin County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2019 and end on 12/31/2025. Cooper seconded. The vote was 4-0; Kelly abstained. All present voted yes.

**ORIX Real Estate Capital Holdings, LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Columbus, Franklin County. Mihalik made a motion to approve a tax credit of 1.928% for 8 years for ORIX Real Estate Capital Holdings, LLC in exchange for a commitment to create 62 new full-time equivalent employees generating \$6,100,000 in new annual payroll and retaining \$35,613,923 in existing payroll at the project location in the City of Columbus, Franklin County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2020 and end on 12/31/2027. Smith seconded. The vote was 4-0; Kelly abstained. All present voted yes.

**Univar USA Inc. and Nexeo Solutions, LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Dublin, Franklin County. Mihalik made a motion to approve a tax credit of 1.706% for 9 years for Univar USA Inc. and Nexeo Solutions, LLC in exchange for a commitment to create 225 new full-time equivalent employees generating \$11,700,000 in new annual payroll and retaining \$19,700,000 in existing payroll at the project location in the City of Dublin, Franklin County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2019 and end on 12/31/2027. Bradley seconded. The vote was 5-0. All present voted yes.

**Carvana, LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Heath, Licking County. Mihalik made a motion to approve a tax credit of 1.368% for 8 years for Carvana, LLC in exchange for a commitment to create 400 new full-time equivalent employees generating \$13,312,000 in new annual payroll at the project location in the City of Heath, Licking County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2021 and end on 12/31/2028. Bradley seconded. The vote was 5-0. All present voted yes.

**Integra Beauty, Inc.** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Groveport, Franklin County. Mihalik made a motion to approve a tax credit of 0.892% for 6 years for Integra Beauty, Inc. in exchange for a commitment to create 61 new full-time equivalent employees generating \$1,718,400 in new annual payroll at the project location in the City of Groveport, Franklin County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2020 and end on 12/31/2025. Bradley seconded. The vote was 5-0. All present voted yes.

**Toyoda Gosei North America Corporation and TG Personnel Services North America, Inc.** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Dublin, Franklin County. Mihalik made a motion to approve a tax credit of 1.489% for 6 years for Toyoda Gosei North America Corporation and TG Personnel Services North America, Inc. in exchange for a commitment to create 14 new full-time equivalent employees generating \$1,270,000 in new annual payroll at the project location in the City of Dublin, Franklin County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2020 and end on 12/31/2025. Bradley seconded. The vote was 5-0. All present voted yes.

**Belcan, LLC; Belcan Engineering Group, LLC; and Belcan Services Group Limited Partnership** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Blue Ash, Hamilton County. Mihalik made a motion to approve a tax credit of 2.211% for 9 years for Belcan, LLC; Belcan Engineering Group, LLC; and Belcan Services Group Limited Partnership in exchange for a commitment to create 200 new full-time equivalent employees generating \$15,000,000 in new annual payroll and retaining \$42,480,791 in existing payroll at the project location in the City of Blue Ash, Hamilton County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2021 and end on 12/31/2029. Smith seconded; Kelly abstained. The vote was 4-0. All present voted yes.

**Mercy Health; Bon Secours Mercy Health Inc.; Mercy Health Cincinnati LLC; Mercy Health Physicians Cincinnati LLC; and Mercy Health Innovations LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Cincinnati, Hamilton County. Mihalik made a motion to approve a tax credit of 2.519% for 12 years for Mercy Health; Bon Secours Mercy Health Inc.; Mercy Health Cincinnati LLC; Mercy Health Physicians Cincinnati LLC; and Mercy Health Innovations LLC in exchange for a commitment to create 500 new full-time equivalent employees generating \$50,000,000 in new annual payroll and retaining \$140,623,020 in existing payroll at the project location in the City of Cincinnati, Hamilton County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2020 and end on 12/31/2031. Bradley seconded; Kelly abstained. The vote was 4-0. All present voted yes.

**SM Management Services LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Cleveland, Cuyahoga County. Mihalik made a motion to approve a tax credit of 1.201% for 6 years for SM Management Services LLC in exchange for a commitment to create 20 new full-time equivalent employees generating \$1,040,000 in new annual payroll and retaining \$1,872,000 in existing payroll at the project location in the City of Cleveland, Cuyahoga County. In addition, the company will claim the tax credit on Ohio employee payroll generated at the project location in excess of the company's baseline payroll at the project location. The tax credit would begin on 1/1/2020 and end on 12/31/2025. Bradley seconded. The vote was 5-0. All present voted yes.

## **OTHER BUSINESS**

### **Toledo Molding & Die, Inc. (City of Toledo/Lucas County)**

The staff recommends that the Authority terminate the tax credit agreement with clawback for failure to maintain operations during the active term of the agreement. On 7/30/2012, the grantee was approved for a 50%/7 year tax credit in exchange for a commitment to create 41 FTEs at the project location. Development has learned that the grantee failed to maintain operations at the project location. Due to this failure, the Authority has statutory authorization to require clawback of 100% of the credits issued, which totaled \$61,756.10. After taking into consideration market conditions and the company's other operations in Ohio, the staff recommends that the Authority terminate the agreement with clawback of \$20,000.

Mihalik made a motion to accept staff recommendation and Cooper seconded. The vote was 5-0. All present voted yes.

### **Payless Shoesource Distribution, Inc. (City of Brookville/Montgomery County)**

The staff recommends that the Authority terminate the tax credit agreement with clawback for failure to maintain operations at the project location for at least twice the number of years as the term of the agreement. On 5/29/2007, the grantee was approved for a 45%/8 year tax credit in exchange for a commitment to create 300 new jobs at the project location. Development has learned that the grantee failed to maintain operations at the project location. Due to this failure, the Authority has statutory authorization to require clawback of 50% of credits issued, which totaled \$774,890.26. The grantee did not respond to a request for market conditions. Based on this information, the staff recommends that the Authority terminate the agreement with clawback of \$387,445.13.

Mihalik made a motion to accept staff recommendation and Cooper seconded. The vote was 5-0. All present voted yes.

### **G-TEKT North America Corporation (Village of West Jefferson/Madison County)**

At the request of the grantee, staff recommends that the Authority reduce the term of the tax credit agreement to 5 years, ending 12/31/2018. The grantee will be required to file post-term reports for years 2019 – 2021.

Mihalik made a motion to accept staff recommendation and Smith seconded. The vote was 5-0. All present voted yes.

### **Ensemble HP, LLC (Deerfield Township and City of Blue Ash/Hamilton County)**

The staff recommends that the Authority make the following changes:

- (1) Add the project location at 1701 Mercy Health Place Cincinnati, Ohio 45237 to the tax credit agreement;
- (2) Change the retained job commitment from 480 to 645 FTEs;
- (3) Change the retained payroll commitment from \$26,200,000 to \$33,385,798;
- (4) Change the retained Ohio employee payroll from \$24,400,000 to \$30,949,455.

The changes listed above are effective 1/1/2019. Based on these changes, the baseline Ohio employee payroll for year 2 will be \$31,884,902.28 and will increase each year thereafter by the applicable pay increase factor.

Mihalik made a motion to accept staff recommendation and Cooper seconded; Kelly abstained. The vote was 4-0. All present voted yes.

### **Festo Corporation (City of Blue Ash/Hamilton County)**

The staff recommends that the Authority make the following changes:

- (1) Add the grantee, Festo Didactic Inc. to the tax credit agreement;
- (2) Add the project location at 4028 Binion Way, Mason, OH 45036 to the tax credit agreement.

Mihalik made a motion to accept staff recommendation and Bradley seconded. The vote was 5-0. All present voted yes.

### **Everstream Solutions LLC (City of Columbus/Franklin County)**

The staff recommends that the Authority add the project location at 240 N. 5th St., Columbus, OH 43215 to the tax credit agreement.

Mihalik made a motion to accept staff recommendation and Bradley seconded. The vote was 5-0. All present voted yes.

**PharmaForce, Inc. (City of Hillard / Franklin County)**

The staff recommends that the Authority reassign the tax credit agreement from PharmaForce, Inc. (and associated FEIN) to American Regent, Inc. (and associated FEIN).

Mihalik made a motion to accept staff recommendation and Bradley seconded. The vote was 5-0. All present voted yes.

**Nautilus Hyosung America, Inc. (City of Miamisburg / Montgomery County)**

The staff recommends that the Authority rescind the clawback that was approved on 5/20/2019. The taxpayer has filed the outstanding 2017 and 2018 annual reports and has indicated that operations were maintained at the project location through 12/31/2018 as required by the agreement.

Mihalik made a motion to accept staff recommendation and Kelly seconded. The vote was 5-0. All present voted yes.

**GradLeaders, LLC (City of Dublin / Franklin County)**

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has not claimed any tax credit certificates and has agreed to waive any pending or unissued tax credit certificates.

Mihalik made a motion to accept staff recommendation and Smith seconded. The vote was 5-0. All present voted yes.

**Nippon Rika Incorporated (Chester Township / Meigs Count)**

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has not claimed any tax credit certificates and has agreed to waive any pending or unissued tax credit certificates.

Mihalik made a motion to accept staff recommendation and Bradley seconded. The vote was 5-0. All present voted yes.

**NSC Global Managed Services LLC (Deerfield Township / Hamilton County)**

The staff recommends that the Authority cancel the tax credit. The company never executed the tax credit agreement and has not received any tax credit certificates.

Mihalik made a motion to accept staff recommendation and Bradley seconded. The vote was 5-0. All present voted yes.

**MOTION TO AJOURN**

The meeting was adjourned at 11:15 a.m. by Lydia Mihalik.

The next meeting is scheduled July 29, 2019 at 11:00 a.m. on the 31<sup>st</sup> Floor.

Chair of Ohio Tax Credit Authority's Signature

