

**OHIO TAX CREDIT AUTHORITY MEETING
MEETING MINUTES
MEETING DATE: DECEMBER 9, 2019**

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:10 a.m. on October 28, 2019 in Columbus, Ohio by John Werkman

Roll Call:	John Werkman, Acting Chair	Present
	Darnita Bradley	Present
	Brian Cooper	Present
	Emmett Kelly	Absent
	David Smith	Absent

Staff Members Present: Rasheda Hansard, Daniel Strasser, Eric Lindner, David Hicks, and Lisa Colbert

Others Present: Frank LaRock, Tyler Lash, Matt Deptola, Sarah Custer, Ed Chatmon, Elyse Salisbury, Justin Bickle, Logan Dawson, Tim Bachman, Kevin Donnelly, Ed Looman, Chase Eikenbary, and Shawn Starlin

Minutes Approval: Cooper made a motion to approve the minutes of the October 28, 2019 meeting. Bradley seconded. The vote was 3-0 yes. Voting Cooper, Bradley, and Werkman.

PROJECTS

Callibrity Solutions, LLC appeared before the Tax Credit Authority requesting a tax credit for a project at a to-be-determined location. Werkman made a motion to approve a tax credit of 1.982% for 8 years for Callibrity Solutions, LLC in exchange for a commitment to create 95 new full-time equivalent employees generating \$9,024,392 in new annual payroll and retaining \$2,837,663 in existing payroll at the to-be-determined project location. 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 3-0. All present voted yes.

Northwest Bank appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Columbus, Franklin County. Werkman made a motion to approve a tax credit of 1.590% for 7 years for Northwest Bank in exchange for a commitment to create 50 new full-time equivalent employees generating \$3,815,760 in new annual payroll and retaining \$553,613 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 12/31/2026. Bradley seconded. The vote was 3-0. All present voted yes.

ScriptDrop, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Grandview Heights, Franklin County. Werkman made a motion to approve a tax credit of 1.816% for 8 years for ScriptDrop, Inc. in exchange for a commitment to create 80 new full-time equivalent employees generating \$7,200,000 in new annual payroll and retaining \$1,385,378 in existing payroll at the project location in the City of Grandview Heights, 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. Bradley seconded. The vote was 3-0. All present voted yes.

Avery Dennison Retail Information Services, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Miamisburg, Montgomery County. Werkman made a motion to approve a tax credit of 1.796% for 8 years for Avery Dennison Retail Information Services, LLC in exchange for a commitment to create 65 new full-time equivalent employees generating \$6,000,000 in new annual payroll and retaining \$29,200,000 in existing payroll at the project location in the City of Miamisburg, Montgomery 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. Bradley seconded. The vote was 3-0. All present voted yes.

SPS Technologies, LLC and PCC Aerostructures Integration Center, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Mason, Warren County. Werkman made a motion to approve a tax credit of 2.260% for 10 years for SPS Technologies, LLC and PCC Aerostructures Integration Center, LLC in exchange for a commitment to create 190 new full-time equivalent employees generating \$14,550,000 in new annual payroll at the project location in the City of Mason, Warren 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 12/31/2030. Cooper seconded. The vote was 3-0. All present voted yes.

Losant IoT, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Cincinnati, Hamilton County. Werkman made a motion to approve a tax credit of 2.000% for 8 years for Losant IoT, Inc. in exchange for a commitment to create 100 new full-time equivalent employees generating \$10,000,000 in new annual payroll and retaining \$3,432,998 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 12/31/2027. Bradley seconded. The vote was 3-0. All present voted yes.

Case Farms Processing, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the Village of Winesburg, Holmes County. Werkman made a motion to approve a tax credit of 1.231% for 7 years for Case Farms Processing, Inc. in exchange for a commitment to create 144 new full-time equivalent employees generating \$5,300,000 in new annual payroll and retaining \$13,416,384 in existing payroll at the project location in the Village of Winesburg, Holmes 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 12/31/2026. Cooper seconded. The vote was 3-0. All present voted yes.

Axiom Engineered Systems, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Toledo, Lucas County. Werkman made a motion to approve a tax credit of 1.442% for 8 years for Axiom Engineered Systems, LLC in exchange for a commitment to create 250 new full-time equivalent employees generating \$9,880,000 in new annual payroll at the project location in the City of Toledo, Lucas 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 3-0. All present voted yes.

Fresh Products, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in Perrysburg Township, Wood County. Werkman made a motion to approve a tax credit of 1.391% for 7 years for Fresh Products, LLC in exchange for a commitment to create 91 new full-time equivalent employees generating \$4,204,000 in new annual payroll and retaining \$9,752,000 in existing payroll at the project location in Perrysburg Township, Wood 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 12/31/2026. Bradley seconded. The vote was 3-0. All present voted yes.

Zilker Technology LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Cleveland, Cuyahoga County. Werkman made a motion to approve a tax credit of 2.110% for 8 years for Zilker Technology LLC in exchange for a commitment to create 56 new full-time equivalent employees generating \$7,007,875 in new annual payroll and retaining \$1,582,750 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 12/31/2027. Bradley seconded. The vote was 3-0. All present voted yes.

Allied Machine & Engineering Corporation appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Dover, Tuscarawas County. Werkman made a motion to approve a tax credit of 1.292% for 6 years for Allied Machine & Engineering Corporation in exchange for a commitment to create 21 new full-time equivalent employees generating \$1,341,000 in new annual payroll and retaining \$22,038,000 in existing payroll at the project location in the City of Dover, Tuscarawas 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. Cooper seconded. The vote was 3-0. All present voted yes.

Glassdoor, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Green, Summit County. Werkman made a motion to approve a tax credit of 1.651% for 7 years for Glassdoor, Inc. in exchange for a commitment to create 40 new full-time equivalent employees generating \$2,650,000 in new annual payroll and retaining \$3,312,400 in existing payroll at the project location in the City of Green, Summit 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 12/31/2026. Bradley seconded. The vote was 3-0. All present voted yes.

Surgere, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Green, Summit County. Werkman made a motion to approve a tax credit of 2.170% for 8 years for Surgere, Inc. in exchange for a commitment to create 93 new full-time equivalent employees generating \$7,619,196 in new annual payroll and retaining \$4,656,025 in existing payroll at the project location in the City of Green, Summit 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. Bradley seconded. The vote was 3-0. All present voted yes.

OTHER BUSINESS

CK Technologies, LLC (Village of Montpelier/Williams County)

The staff recommends that the Authority terminate the agreement without clawback for failure to file the 2018 annual report. Due to this failure, the Authority has statutory authorization to terminate the agreement. On 5/22/2006, the grantee was approved for a 55%/7-year tax credit in exchange for a commitment to create 36 FTEs and to retain 162 FTEs at the project location. After multiple attempts to contact the Grantee, the 2018 annual report, which was due 3/1/2019, remains unfiled. Based on this information, staff recommends that the Authority terminate the agreement without clawback.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

InXite Health Systems Inc. (City of Columbus/Franklin County)

The staff recommends that the Authority terminate the agreement without clawback for failure to file the 2018 annual report. Due to this failure, the Authority has statutory authorization to terminate the agreement. On 4/24/2017, the grantee was approved for a 1.477%/7-year tax credit in exchange for a commitment to create 100 FTEs and to retain 8 FTEs at the project location. After multiple attempts to contact the Grantee, the 2018 annual report, which was due 3/1/2019, remains unfiled. Based on this information, staff recommends that the Authority terminate the agreement without clawback.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

Norlake Manufacturing Company (City of North Ridgeville/Lorain County)

The staff recommends that the Authority terminate the agreement without clawback for failure to file the 2018 annual report. Due to this failure, the Authority has statutory authorization to terminate the agreement. On 9/24/2012, the grantee was approved for a 40%/6-year tax credit in exchange for a commitment to create 30 FTEs and to retain 85 FTEs at the project location. After multiple attempts to contact the Grantee, the 2018 annual report, which was due 3/1/2019, remains unfiled. Based on this information, staff recommends that the Authority terminate the agreement without clawback.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

Rieter Automotive North America, Inc. (City of Oregon/Lucas County)

The staff recommends that the Authority terminate the agreement without clawback for failure to file the 2018 annual report. Due to this failure, the Authority has statutory authorization to terminate the agreement. On 2/26/2007, the grantee was approved for a 40%/7-year tax credit in exchange for a commitment to create 80 FTEs and to retain 155 FTEs at the project location. After multiple attempts to contact the Grantee, the 2018 annual report, which was due 3/1/2019, remains unfiled. Based on this information, staff recommends that the Authority

terminate the agreement without clawback.

Werkman made a motion to accept staff recommendation and Cooper seconded. The vote was 3-0. All present voted yes.

New Horizons Baking Company Inc. (City of Toledo/Lucas County)

The staff recommends that the Authority terminate the agreement without clawback for failure to maintain operations at the project location. Due to this failure, the Authority has statutory authorization to terminate the agreement. On 9/26/2016, the grantee was approved for a 1.006%/6-year tax credit in exchange for a commitment to create 50 FTEs and to retain 11 FTEs at the project location. Development has learned that the grantee failed to maintain operations at the project location during the active term of the agreement. The grantee has only received one tax credit certificate valued at \$2,6778.44. Based on this information, the staff recommends that the Authority terminate the agreement without clawback.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

Dollar Shave Club Inc. (City of Grove City/Franklin County)

The staff recommends that the Authority reduce the rate of the tax credit for failure to create the required amount of jobs as set forth in the agreement. Due to this failure, the Authority has statutory authorization to reduce the rate of the tax credit agreement. On 5/23/2016, the grantee was approved for a 1.222%/7 (2016-2022) year tax credit in exchange for a commitment to create 185 FTEs with \$5,825,872 in new payroll at the project location. The grantee's 2018 annual report showed 63 total FTEs with \$2,080,000 in total payroll, thus the report was 122 FTEs and \$3,745,872 less than the commitment thereby making the grantee non-compliant with the tax credit agreement. Based on this information, the staff recommends that the Authority reduce the rate of the tax credit agreement to 1.000% effective 1/1/2019. Post-term reporting requirements may be fulfilled by filing annual progress reports with Development for years 2023 – 2025.

Werkman made a motion to accept staff recommendation and Cooper seconded. The vote was 3-0. All present voted yes.

Fund That Flip, Inc. (City of Cleveland/Cuyahoga County)

The staff recommends that the Authority approve the following changes:

- (1) Extend the term of the 1.329%/6-year tax credit by 1 year ending 12/31/2023;
- (2) Increase the new job commitment from 25 to 152 FTEs, which includes both current overperformance and a commitment to create an additional 124 new jobs.
- (3) Increase the new payroll commitment from \$1,490,000 to \$9,852,319, which includes both current overperformance and a commitment to create \$8,637,133 in additional new payroll;
- (4) Add a fixed asset investment to \$150,000 for building costs.

If Fund That Flip does not reach the commitments above by 12/31/2022, the JCTC-Extension will be cancelled. Fund That Flip must maintain operations at the project site until 12/31/2026.

Werkman made a motion to accept staff recommendation and Cooper seconded. The vote was 3-0. All present voted yes.

Ensemble HP, LLC (City of Blue Ash/Hamilton County)

The staff recommends that the Authority make the following changes:

- (1) Increase the new job commitment from 1,100 to 2,700 FTEs;
- (2) Change the metric evaluation date from 12/31/2022 to 12/31/2023;
- (3) Reassign the tax credit agreement from Ensemble HP, LLC (and associated FEIN) to Ensemble RCM, LLC (and associated FEIN).

Werkman made a motion to accept staff recommendation and Cooper seconded. The vote was 3-0. All present voted yes.

Risk International Services, Inc. (City of Fairlawn/Summit County)

The staff recommends that the Authority change the grantee's name from Risk International Services, Inc. to Risk International Services, LLC. The FEIN remains unchanged.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

The Heitmeyer Group, LLC (City of Westerville/Franklin County)

The staff recommends that the Authority add the project location at 501 West Schrock Rd., Westerville, Ohio 43081.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

Revolucion Holding, Inc. (City of Columbus/Franklin County)

The staff recommends that the Authority add the project location at 34 W. Gay St., Columbus, Ohio 43215.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

Amazon Data Services, Inc. (City of Columbus/Franklin County)

The staff recommends that the Authority make the following changes:

- (1) Update the tax credit agreement to reflect 12 locations in Central Ohio;
- (2) Add Union County as an eligible project county.

Werkman made a motion to accept staff recommendation and Cooper seconded. The vote was 3-0. All present voted yes.

Claritas LLC (City of Cincinnati/Hamilton County)

The staff recommends that the Authority change the project location from 9370 Main St., Cincinnati, OH 45242 to 8044 Montgomery Rd., Ste. 455, Cincinnati, OH 45236

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

Zaner-Bloser Inc. (City of Grandview Heights/Franklin County)

The staff recommends that the Authority change the metric evaluation date from 12/31/2019 to 12/31/2020.

Werkman made a motion to accept staff recommendation and Cooper seconded. The vote was 3-0. All present voted yes.

Bell Ohio Inc. (City of Groveport/ Franklin County)

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job, payroll, and investment commitments from 275 FTEs to 55 FTEs. The associated new payroll will be reduced from \$9,152,000 to \$2,715,884. The company's fixed asset investment commitment will be reduced from \$27,000,000 to \$21,000,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 1.377%/7-year tax credit to 1.377%/2 year and 1.000%/4 year (1.377% for 2017 & 2018, 1.329% for 2019 - 2022), for a total of 6 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with Development for years 2023 – 2025.

Werkman made a motion to accept staff recommendation and Cooper seconded. The vote was 3-0. All present voted yes.

SJN Data Center, LLC (City of Norwood/Hamilton County)

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 219 FTEs to 165 FTEs. The associated new payroll will remain at \$16,122,157. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 2.818%/9 year tax credit to 2.818%/3 year and 2.500%/6 year (Specifically, 2.818% for years 2017, 2018, & 2019 and a rate of 2.500% for years 2020 - 2025), for a total of 9 years. Post-term reporting requirements may be fulfilled by filing annual progress

reports with DSA for years 2026 – 2028.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

GBO Holdings, LLC (City of Cincinnati/Hamilton County)

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has repaid the state \$14,412.56 for issued and applied tax certificates. The company has agreed to waive any pending or unissued tax credit certificates.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

Hayneedle, Inc. (City of Monroe/Warren 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.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

Recker Consulting, LLC (City of Cincinnati/Hamilton County)

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has agreed to repay the state \$23,214 for issued and applied tax certificates. The company has agreed to waive any pending or unissued tax credit certificates.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

Nucor Steel Marion, Inc. (City of Marion/Marion 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.

Werkman made a motion to accept staff recommendation and Bradley seconded. The vote was 3-0. All present voted yes.

ADDITIONAL AGENDA ITEMS

- **Discussion on the updated Pay Increase Factor (PIF)**

Werkman made a motion to accept updating pay increase factor to 1.010 and Cooper seconded. The vote was 3-0. All present voted yes.

- **Discussion on Proposed 2020 TCA Meeting Dates**

- **Presentation of Ohio Ethics Laws**

MOTION TO AJOURN

The meeting was adjourned at 11:09 a.m. by John Werkman

The next meeting is scheduled January 27, 2019 at 10:00 a.m. on the 31st Floor.

Chair of Ohio Tax Credit Authority's Signature


