

**OHIO TAX CREDIT AUTHORITY MEETING
MEETING MINUTES
MEETING DATE: FEBRUARY 23, 2015**

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:05 a.m. on February 23, 2015 in Columbus, Ohio by David Goodman.

Roll Call:	David Goodman, Chair	Present
	David Smith	Present
	Emmett Kelly	Present
	Rod Crider	Absent
	Brian Cooper	Present

Staff Members Present: John Werkman, Daniel Strasser, Stephanie Gostomski, and Eric Lindner

Others present: Matt Deptola, Brandon Simmons, Matt McCollister, Marty Hohenberger, Ian Smith, Brian Bilger, and Ryan Wilson

Minutes Approval: Goodman made a motion to approve the minutes of the January 26, 2015 meeting. Smith seconded. The vote was 3-0 yes. Voting Goodman, Smith, and Cooper.

PROJECTS

Startek USA, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Hamilton, Butler County. Goodman made a motion to approve a tax credit of 65% for 7 years for Startek USA, Inc. in exchange for a commitment to create 682 new full-time equivalent employees generating \$15,693,817 in new annual payroll at the project location in the City of Hamilton, Butler County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2015 and end on 12/31/2021. Cooper seconded. The vote was 4-0. All present voted yes.

Total Quality Logistics, LLC appeared before the Tax Credit Authority requesting a tax credit for a project at a to-be-determined project location. Goodman made a motion to approve a tax credit of 40% for 5 years for Total Quality Logistics, LLC in exchange for a commitment to create 70 new full-time equivalent employees generating \$3,778,000 in new annual payroll at the to-be-determined location project. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2016 and end on 12/31/2020. Smith seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Briskheat Corporation appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Columbus, Franklin County. Goodman made a motion to approve a tax credit of 50% for 6 years for Briskheat Corporation in exchange for a commitment to create 103 new full-time equivalent employees generating \$4,893,397 in new annual payroll and retaining \$9,855,714 in existing payroll at the project location in the City of Columbus, Franklin County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2015 and end on 12/31/2020. Kelly seconded. The vote was 4-0. All present voted yes.

Coyote Logistics, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Columbus, Franklin County. Goodman made a motion to approve a tax credit of 45% for 6 years for Coyote Logistics, LLC in exchange for a commitment to create 50 new full-time equivalent employees generating \$2,000,000 in new annual payroll and retaining \$2,891,631 in existing payroll at the project location in the City of Columbus, Franklin County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2016 and end on 12/31/2021. Cooper seconded. The vote was 4-0. All present voted yes.

Superior Production LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Columbus, Franklin County. Goodman made a motion to approve a tax credit of 40% for 6 years for Superior Production LLC in exchange for a commitment to create 35 new full-time equivalent employees generating \$1,575,000 in new annual payroll and retaining \$8,767,209 in existing payroll at the project location in the City of Columbus, Franklin County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2015 and end on 12/31/2020. Smith seconded. The vote was 4-0. All present voted yes.

Craft Wholesalers, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Groveport, Franklin County. Goodman made a motion to approve a tax credit of 35% for 5 years for Craft Wholesalers, Inc. in exchange for a commitment to create 10 new full-time equivalent employees generating \$660,000 in new annual payroll and retaining \$2,331,560 in existing payroll at the project location in the City of Groveport, Franklin County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2016 and end on 12/31/2020. Cooper seconded. The vote was 4-0. All present voted yes.

Auto Soft, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Dayton, Montgomery County. Goodman made a motion to approve a tax credit of 45% for 5 years for Auto Soft, Inc. in exchange for a commitment to create 25 new full-time equivalent employees generating \$2,000,000 in new annual payroll and retaining \$1,050,000 in existing payroll at the project location in the City of Dayton, Montgomery County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2015 and end on 12/31/2019. Kelly seconded. The vote was 4-0. All present voted yes.

Aprecia Pharmaceuticals Company appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Blue Ash, Hamilton County. Goodman made a motion to approve a tax credit of 55% for 8 years for Aprecia Pharmaceuticals Company in exchange for a commitment to create 150 new full-time equivalent employees generating \$13,500,000 in new annual payroll at the project location in the City of Blue Ash, Hamilton County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2015 and end on 12/31/2022. Smith seconded. The vote was 4-0. All present voted yes.

Curiosity, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Cincinnati, Hamilton County. Goodman made a motion to approve a tax credit of 40% for 6 years for Curiosity, LLC in exchange for a commitment to create 28 new full-time equivalent employees generating \$1,480,000 in new annual payroll and retaining \$2,590,286 in existing payroll at the project location in the City of Cincinnati, Hamilton County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2015 and end on 12/31/2020. Cooper seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Mitsubishi Electric Automotive America, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Mason, Warren County. Goodman made a motion to approve a tax credit of 55% for 8 years for Mitsubishi Electric Automotive America, Inc. in exchange for a commitment to create 100 new full-time equivalent employees generating \$4,246,000 in new annual payroll and retaining \$19,652,769 in existing payroll at the project location in the City of Mason, Warren County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2015 and end on 12/31/2022. Smith seconded; Kelly abstained. The vote was 3-0. All present voted yes.

SSB Manufacturing Company appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Monroe, Warren County. Goodman made a motion to approve a tax credit of 50% for 6 years for SSB Manufacturing Company in exchange for a commitment to create 106 new full-time equivalent employees generating \$5,852,000 in new annual payroll and retaining \$8,500,000 in existing payroll at the project location in the City of Monroe, Warren County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location.

The tax credit would begin on 1/1/2015 and end on 12/31/2020. Kelly seconded. The vote was 4-0. All present voted yes.

GT Technologies, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Toledo, Lucas County. Goodman made a motion to approve a tax credit of 40% for 6 years for GT Technologies, Inc. in exchange for a commitment to create 24 new full-time equivalent employees generating \$1,632,883 in new annual payroll and retaining \$5,238,778 in existing payroll at the project location in the City of Toledo, Lucas County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2015 and end on 12/31/2020. Smith seconded. The vote was 4-0. All present voted yes.

GT Technologies, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Defiance, Defiance County. Goodman made a motion to approve a tax credit of 40% for 6 years for GT Technologies, Inc. in exchange for a commitment to create 19 new full-time equivalent employees generating \$902,636 in new annual payroll and retaining \$8,218,745 in existing payroll at the project location in the City of Defiance, Defiance County. In addition, the company will claim the tax credit on income tax revenue generated at the project location in excess of the company's baseline income tax revenue at the project location. The tax credit would begin on 1/1/2015 and end on 12/31/2020. Kelly seconded. The vote was 4-0. All present voted yes.

OTHER BUSINESS

SRI Ohio, Inc. (City of Lancaster/Fairfield County)

The staff recommends that the Authority approve the following changes to the tax credit agreement:

- (1) Extend the term of the 40%/6 year JCTC by 2 years, for a total of 8 years ending on 12/31/2018;
- (2) Increase the new job commitment from 50 to 123 FTEs with an associated payroll of \$6,000,000;
- (3) The grantee will also commit to a capital investment of \$8,200,000, including \$6,000,000 in machinery/equipment and \$2,200,000 in building costs.

The total number of jobs at the project location will be 123 by 12/31/2017. If these commitments are not met by 12/31/2017, the JCTC-Extension will be cancelled.

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

Revere Data, LLC (City of Youngstown/Mahoning 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 3/29/2010, the grantee was approved for a 40%/6 year tax credit in exchange for a commitment to create 40 new jobs at the project location. In 2014, DSA learned that the grantee was sold to Fact Set and was no longer maintaining 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 \$14,704.18. The grantee provided DSA with a statement on adverse market conditions. Based on this information, the staff recommends a clawback of \$8,800.

Goodman made a motion to accept staff recommendation and Smith seconded. The vote was 4-0. All present voted yes.

Saeco USA, Inc. (Village of Glenwillow/Cuyahoga County)

The staff recommends that the Authority terminate the tax credit agreement with clawback for failure to maintain operations during the post-term reporting period. On 8/25/2003, the grantee was approved for a 65%/6 year tax credit in exchange for a commitment to create 40 new jobs at the project location. In 2014, DSA learned that Saeco International Group SpA and KPENV entered into a share purchase and transfer agreement in 2011, pursuant to which KPENV purchased 100% of the shares of the grantee. Phillips then purchased the grantee from KPENV. Phillips closed operations at the project location in January 2012, making the grantee noncompliant with the terms of the agreement. Due to this failure, the Authority has statutory authorization to require clawback of 25% of the credits issued, which totaled \$241,916.19. Based on this information, the staff recommends a clawback of \$60,479.

Goodman made a motion to accept staff recommendation and Kelly seconded. The vote was 4-0. All present

voted yes.

Viewray Incorporated (Village of Oakwood/Cuyahoga County)

The staff recommends that the Authority terminate the tax credit agreement for failure to respond and return the termination agreement to DSA. On 2/25/2008, the grantee was approved for a 45%/5 year tax credit in exchange for a commitment to create 93 new jobs at the project location. According to the 2011 and 2012 annual reports, the grantee failed to meet its job creation commitments by reporting 45 total jobs in 2011 and 34 total jobs in 2012. Since the reports were filed, DSA has made multiple attempts to find a mutually acceptable solution to the grantee's non-compliance issues. The grantee has been unresponsive to DSA. Based on this information, the staff recommends terminating the agreement without clawback, as no certificates were issued to the company.

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

Borgers Ohio, Inc. (City of Norwalk/Huron County)

The staff recommends that the Authority reduce the fixed asset investment commitment from \$60,171,000 to \$18,978,200 (\$10,298,200 in machinery/equipment, \$8,180,000 in building costs, and \$500,000 in land).

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

WHAPPS L.L.C. (City of Cincinnati/Hamilton County)

The staff recommends that the Authority decrease the retained job commitment from 29 FTEs to 26 FTEs. The associated baseline payroll will decrease from \$1,860,000 to \$1,714,610.

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

Print Syndicate, LLC (City of Columbus/Franklin County)

The staff recommends that the Authority make the following changes:

- (1) Reassign the tax credit from Print Syndicate LLC (and associated FEIN) to Print Syndicate Inc. (and associated FEIN). The company was reincorporated as a C-corp;
- (2) Add the project location at 901 W. Third St., Grandview Heights, OH 43212.

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

GOWEBAPPS.COM, Inc. (City of Lewis Center/Delaware County)

The staff recommends that the Authority remove the grantee, Coalesce Software, Inc. (and associated FEIN), from the tax credit agreement.

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

Health Care DataWorks (City of Columbus/Franklin County)

The staff recommends that the Authority change the project location from 1801 Watermark Drive, Columbus, OH 43215-7088 to 4215 Worth Ave., Ste. 320, Columbus, OH 43219.

Goodman made a motion to accept staff recommendation and Smith seconded. The vote was 4-0. All present voted yes.

Alene Candles Midwest, LLC (TBD/TBD)

The staff recommends that the Authority update the previously TBD project location to 8860 Smith's Mill Road, Ste. 100, Johnstown, OH 43031.

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

BioRx, LLC (TBD/TBD)

The staff recommends that the Authority update the previously TBD project location to 7167 E. Kemper Road, Cincinnati, Ohio 45249 (new site for pharmacy), 4605 Duke Drive, Ste. 850, Mason, Ohio 45040 (corporate location), and 11262 Cornell Park Drive, Cincinnati, Ohio 45242.

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

Empire Packing Company, L.P. (TBD/TBD)

The staff recommends that the Authority update the previously TBD project location to 4780 Alliance Dr., Mason, OH 45040.

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

Persistent Systems, Inc. (TBD/TBD)

The staff recommends that the Authority update the previously TBD project location to 5080 Tuttle Crossing Boulevard, Suite 150, Dublin, OH 43016.

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

Charles River Laboratories, Inc. (Village of Spencerville/Allen 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 under the program and has agreed to waive any pending or unissued tax credit certificates.

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

Post Glover Resistors Inc. (TBD/TBD)

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.

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

MOTION TO AJOURN

The meeting was adjourned at 11:25 pm by David Goodman.

The next meeting is scheduled March 30, 2015 at 10:00 a.m. on the 31st Floor.

Chair of Ohio Tax Credit Authority's Signature


