

**OHIO TAX CREDIT AUTHORITY MEETING
MEETING MINUTES
MEETING DATE: APRIL 28, 2014**

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:02 a.m. on April 28, 2014 in Columbus, Ohio by David Goodman.

Roll Call:	David Goodman, Chair	Present
	David Smith	Present
	Emmett Kelly	Present
	Rod Crider	Absent
	Jamie Beier-Grant	Present

Staff Members Present: Heather Keesee, Daniel Strasser, John Werkman, and Stephanie Gostomski

Others present: Matt Cybulski, Andrew Charlton, Karsten Sommer, Ian Smith, John Recker, Brian Bilger, Katie Hamilton, Deb Scherer, and Quinten Harris

Minutes Approval: Goodman made a motion to approve the minutes of the March 31, 2014 meeting. Smith seconded. The vote was 3-0 yes. Voting Goodman, Beier-Grant, and Smith.

PROJECTS

Walgreen Co. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Perrysburg, Wood County. Goodman made a motion to approve a tax credit of 60% for 10 years for Walgreen Co. in exchange for a commitment to create 75 new full-time equivalent employees generating \$2,730,000 in new annual payroll and retaining \$24,921,540 in existing payroll at the project location in the City of Perrysburg, Wood 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 1/1/2014 and end on 12/31/2023. Beier-Grant seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Graphic Packaging International, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Marion, Marion County. Goodman made a motion to approve a tax credit of 40% for 6 years for Graphic Packaging International, Inc. in exchange for a commitment to create 30 new full-time equivalent employees generating \$708,864 in new annual payroll and retaining \$10,389,261 in existing payroll at the project location in the City of Marion, Marion 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 1/1/2014 and end on 12/31/2019. Smith seconded; Kelly abstained. The vote was 3-0. All present voted yes.

HOMAGE, 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 7 years for HOMAGE, LLC in exchange for a commitment to create 28 new full-time equivalent employees generating \$1,680,000 in new annual payroll and retaining \$1,200,000 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 12/31/2021. Kelly seconded. The vote was 4-0. All present voted yes.

ReConserve of Ohio, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in Claridon Township, Marion County. Goodman made a motion to approve a tax credit of 45% for 6 years for ReConserve of Ohio, Inc. in exchange for a commitment to create 16 new full-time equivalent employees generating \$670,000 in new annual payroll and retaining \$1,160,464 in existing payroll at the project location in Claridon Township, Marion 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.

Keihin Thermal Technology of America, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the Village of Mount Sterling, Madison County. Goodman made a motion to approve a tax credit of 45% for 7 years for Keihin Thermal Technology of America, Inc. in exchange for a commitment to create 90 new full-time equivalent employees generating \$2,924,064 in new annual payroll and retaining \$9,310,000 in existing payroll at the project location in the Village of Mount Sterling, Madison 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. Beier-Grant seconded. The vote was 4-0. All present voted yes.

AdvancePierre Foods, Inc. 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 7 years for AdvancePierre Foods, Inc. in exchange for a commitment to create 43 new full-time equivalent employees generating \$4,589,000 in new annual payroll and retaining \$7,266,000 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 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 1/1/2014 and end on 12/31/2020. Beier-Grant seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Interstate Warehousing of Ohio, LLC 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 40% for 7 years for Interstate Warehousing of Ohio, LLC in exchange for a commitment to create 25 new full-time equivalent employees generating \$900,000 in new annual payroll and retaining \$5,859,906 in existing 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 1/1/2014 and end on 12/31/2020. Kelly seconded. The vote was 4-0. All present voted yes.

Kenworth of Cincinnati, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Sharonville, Hamilton County. Goodman made a motion to approve a tax credit of 40% for 6 years for Kenworth of Cincinnati, Inc. in exchange for a commitment to create 40 new full-time equivalent employees generating \$1,580,800 in new annual payroll and retaining \$2,224,704 in existing payroll at the project location in the City of Sharonville, 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. Kelly seconded. The vote was 4-0. All present voted yes.

Process Plus Holdings, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project at a to-be-determined location. Goodman made a motion to approve a tax credit of 45% for 6 years for Process Plus Holdings, Inc. in exchange for a commitment to create 25 new full-time equivalent employees generating \$2,535,000 in new annual payroll at the project location at the to-be-determined location. 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.

Ohio National Financial Services, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Montgomery, Hamilton County. Goodman made a motion to approve a tax credit of 60% for 7 years for Ohio National Financial Services, Inc. in exchange for a commitment to create 270 new full-time equivalent employees generating \$15,700,000 in new annual payroll and retaining \$64,209,758 in existing payroll at the project location in the City of Montgomery, 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 1/1/2014 and end on 12/31/2020. Beier-Grant seconded. The vote was 4-0. All present voted yes.

UGN Inc. 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 65% for 9 years for UGN Inc. in exchange for a commitment to create 148 new full-time equivalent employees generating \$4,995,120 in new annual 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 12/31/2023. Beier-Grant seconded. The vote was 4-0. All present voted yes.

International Paper Company appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Kenton, Hardin County. Goodman made a motion to approve a tax credit of 60% for 8 years for International Paper Company in exchange for a commitment to create 125 new full-time equivalent employees generating \$4,215,723 in new annual payroll and retaining \$18,375,000 in existing payroll at the project location in the City of Kenton, Hardin 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. Beier-Grant seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Sauder Woodworking Co. appeared before the Tax Credit Authority requesting a tax credit for a project in the Village of Archbold, Fulton County. Goodman made a motion to approve a tax credit of 60% for 7 years for Sauder Woodworking Co. in exchange for a commitment to create 150 new full-time equivalent employees generating \$4,751,760 in new annual payroll and retaining \$57,686,366 in existing payroll at the project location in the Village of Archbold, Fulton 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. Beier-Grant seconded. The vote was 4-0. All present voted yes.

Unique-Chardan, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the Village of Bryan, Williams County. Goodman made a motion to approve a tax credit of 45% for 7 years for Unique-Chardan, Inc. in exchange for a commitment to create 30 new full-time equivalent employees generating \$900,000 in new annual payroll and retaining \$1,243,264 in existing payroll at the project location in the Village of Bryan, Williams 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 1/1/2014 and end on 12/31/2020. Kelly seconded. The vote was 4-0. All present voted yes.

OTHER BUSINESS

American Greetings Corporation

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

- (1) Change the tax credit effective date from 2012 to 2014, with the tax credit ending in 2028;
- (2) Decrease the retained employment commitment from 1,750 to 1,575 FTEs;
- (3) Increase the retained employee payroll from \$155,000,000 to \$156,000,000, exclusive of benefits;
- (4) Increase the capital investment from \$51,000,000 to \$162,400,000 (\$155,000,000 in building construction and \$7,400,000 in land), which must occur within the period between January 1, 2014 and December 31, 2016;
- (5) Decrease the maximum yearly benefit from \$5M to \$4.5M.

These modifications are due to the changes in the company structure, efficiencies within the organization, attrition, and the business focus in digital media.

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

Banta Corporation

The staff recommends that the Authority terminate the tax credit agreement without clawback. The company failed to maintain operations during the post-term reporting period. No tax credit certificates issued were claimed, and the company has agreed to waive any pending or unclaimed certificates. The grantee was approved for a 60%/10 year tax credit. The rate and term was later reduced to 60%/5 years followed by 45%/2 years in exchange for a commitment to create 188 new FTEs at the project location. In January, DSA learned that the grantee ceased operations at the project location in May 2012.

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

Main Steel Polishing Company, Inc.

The staff recommends that the Authority terminate the tax credit agreement with \$37,000 clawback of tax credits issued because the company failed to maintain operations during the post-term reporting period. The grantee was approved for a 60%/7 year tax credit. The agreement was amended in 2004 to change the rate and term to 60%/4 years and 55%/3 years in exchange for a commitment to create 60 new FTEs at the project location. In December 2013, DSA learned that the grantee had ceased operations at the project location.

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

Medco Health Solutions, Inc.

The staff recommends that the Authority reassign the tax credit agreement from Medco Health Solutions, Inc. to Express Scripts Limited. The company was acquired by Express Scripts in April 2012.

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

BAE Systems Survivability Systems LLC

The staff recommends that the Authority terminate the tax credit agreement with clawback for failure to maintain operations during the term of the credit. Due to this failure, the Authority has statutory authorization to require clawback of 100%. On April 30, 2007, the grantee was approved for a 35%/7 year tax credit in exchange for a commitment to create 700 new FTEs and retain 553 FTEs at the project location. In December 2013, DSA learned that the grantee transferred production from the project location to Texas and sold the remainder of its interests at the project location. In addition to the clawback, the grantee agrees to forego any and all unclaimed tax credits for certificates already issued to them including but not limited to the years 2008 and 2010 in the amounts of \$204,988.50 and \$377,362.69, respectively. The grantee also agrees to waive any unissued or pending certificates for the term of the agreement. Based on this information, the staff recommends a clawback of \$314,700 of the credits issued.

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

Kurz-Kasch

The staff recommends that the Authority terminate the tax credit agreement with clawback for failure to maintain operations during the term of the credit. Due to this failure, the Authority has statutory authorization to require clawback of 100% of the credits issued. On May 19, 2003, the grantee was approved for a 55%/8 year tax credit. The agreement was later amended to 55%/4 years, followed by 35%/3 years in exchange for a commitment to create 32 new FTEs and retain 105 FTEs at the project location. In January 2014, DSA learned that the grantee ceased operations as the facility at the project location was sold. Based on this information, the staff recommends a clawback of \$41,000 of the credits issued.

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

PACS Industries, Inc.

The staff recommends that the Authority cancel the tax credit because of the company's mass layoff of employees at the project location. The grantee was approved for a 40%/6 year tax credit in exchange for a commitment to create 40 new FTEs and retain 93 FTEs. However, no agreement to this effect was ever executed and no tax credit certificates have been issued.

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

Midmark Corporation

The staff recommends that the Authority add the grantee, Midmark Sales Corporation (and associated FEIN), to the tax credit agreement. Midmark Corporation transferred its sales and distribution personnel into a newly created, wholly owned subsidiary - Midmark Sales Corporation.

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

Peter Cremer North America, L.P.

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

- (1) Decrease the retained job commitment from 123 FTEs to 117 FTEs;
- (2) Decrease the fixed-asset investment commitment from \$4.8 million to \$4.5 million;
- (3) Change the tax credit effective date from 1/1/2012 to 1/1/2013.

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

Riverside Computing, Inc.

The staff recommends that the Authority add the grantee, Elevation Healthcare, LLC (and associated FEIN), to the tax credit agreement. Elevation Healthcare is a division that Riverside Computing recently started. The project location remains unchanged.

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

Element Materials Technology Cincinnati, Inc.

Per the company's request, the staff recommends that the Authority cancel the tax credit. The company is not moving forward with its proposed expansion project, and no agreement was executed.

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

Alpine Metal Finishing Products

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has not received 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 Beier-Grant seconded. The vote was 4-0. All present voted yes.

Bellisio Foods, Inc.

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has not received 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 Kelly seconded. The vote was 4-0. All present voted yes.

Citi Fund Services Ohio, Inc.

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has not received 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 Beier-Grant seconded. The vote was 4-0. All present voted yes.

SCI Engineered Materials, Inc.

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has not received 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 Smith seconded. The vote was 4-0. All present voted yes.

Oatey Co.

The staff recommends that the Authority change the tax credit effective date from 1/1/2014 to 1/1/2015. This change is due to a clerical error made at the time of approval.

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

Hydro Systems Company

The staff recommends that the Authority change the tax credit effective date from 1/1/2010 to 1/1/2011. The project had experienced delays due to the economic downturn, but is now proceeding as planned.

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

Caterpillar Logistics, Inc.

The staff recommends that the Authority change the project location from 5611 Hoke Rd, Clayton, OH 45315 to 6611 Hoke Rd., Clayton, OH 45315. The new address reflects the updated mailing address as the physical location of the project has not changed.

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

Print Syndicate, LLC

The staff recommends that the Authority change the project location from 122 N. Grant Ave, Columbus, OH 43215 to 107 S. High St, Suite 200 Columbus, OH 43215. The company had previously been located at an interim space. The new location is the permanent project site.

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

Barbasol, LLC

The staff recommends that the Authority add the project location at 6156 Wilcox Rd., Dublin, OH 43016 to the tax credit agreement. The new address in Dublin is the corporate headquarters for Perio, Inc., an additional grantee on the agreement.

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

Greenville Technology, Inc.

The staff recommends that the Authority update the previously TBD project location to 15000 Industrial Parkway, Marysville, OH 43040.

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

SK Food Group, Inc.

The staff recommends that the Authority update the previously TBD project location to 3301 Toy Rd., Groveport, OH 43125.

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

Delaware Art.com, Inc.

The staff recommends that the Authority change the baseline income tax revenue on the tax credit agreement as follows, which was originally calculated incorrectly:

Correct amounts (based on original retained withholdings):

Year 1 BITR: \$74,610.25
Year 2 BITR: \$147,661.98

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

Lima Energy Company

The staff recommends that the authority make the following changes due to delays in the project:

- (1) Adjust the tax credit effective date from 1/1/2011 to 1/1/2014;
- (2) Reduce the tax credit term from 10 years to 7 years, with the rate remaining at 65%.

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

Green Bay Packaging Inc.

The staff recommends that the authority make the following changes:

- (1) Reduce the baseline payroll from \$5,280,000 to \$5,111,353;
- (2) Reduce the original retained withholdings. This will result in a baseline income tax revenue of \$136,884.15 for year 1 and \$161,691.64 for year 2.

The baseline payroll and baseline income tax revenue were overstated in the original application, which included total division wages as opposed to Ohio wages.

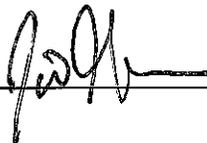
Goodman made a motion to accept staff recommendation and Kelly seconded. The vote was 4-0. All present voted yes.

MOTION TO AJOURN

The meeting was adjourned at 11:37 pm by David Goodman.

The next meeting is scheduled May 20, 2014 at 10:00 a.m. on the 31st Floor.

Chair of Ohio Tax Credit Authority's Signature



David Goodman
Director