

**OHIO TAX CREDIT AUTHORITY MEETING
MEETING MINUTES
MEETING DATE: MAY 20, 2014**

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:05 a.m. on May 20, 2014 in Columbus, Ohio by Daryl Hennessy.

Roll Call:	Daryl Hennessy, Acting Chair	Present
	David Smith	Present
	Emmett Kelly	Present
	Rod Crider	Present
	Vacant	-----

Staff Members Present: Heather Keesee, Daniel Strasser, John Werkman, Lyn Tolan, Todd Walker, and Stephanie Gostomski

Others present: Matt Cybulski, Andrew Charlton, Karsten Sommer, John Recker, Lisa Wagner, Ryan Wilson, Chris Strayer, and Walt Good

Minutes Approval: Hennessy made a motion to approve the minutes of the April 28, 2014 meeting. Smith seconded. The vote was 3-0 yes. Voting Hennessy, Crider, and Smith.

PROJECTS

AtriCure, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in West Chester Township, Butler County and in the City of Mason, Warren County. Hennessy made a motion to approve a tax credit of 40% for 6 years for AtriCure, Inc. in exchange for a commitment to create 30 new full-time equivalent employees generating \$1,800,000 in new annual payroll and retaining \$11,154,141 in existing payroll at the project location in West Chester Township, Butler County and 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 1/1/2016 and end on 12/31/2021. Smith seconded. The vote was 3-0. All present voted yes.

The General Electric Company appeared before the Tax Credit Authority requesting a tax credit for a project at a to-be-determined project location. Hennessy made a motion to approve a tax credit of 85% for 15 years for The General Electric Company in exchange for a commitment to create 1,400 new full-time equivalent employees generating \$111,000,000 in new annual payroll and retaining \$21,190,000 in existing payroll at the to-be-determined project 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 12/31/2029. Crider seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Fuyao Glass America Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Moraine, Montgomery County. Hennessy made a motion to approve a tax credit of 75% for 15 years for Fuyao Glass America Inc. in exchange for a commitment to create 800 new full-time equivalent employees generating \$32,500,000 in new annual payroll at the project location in the City of Moraine, 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 1/1/2016 and end on 12/31/2030. Crider seconded. The vote was 4-0. All present voted yes.

McLane Company, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Findlay, Hancock County. Hennessy made a motion to approve a tax credit of 60% for 8 years for McLane Company, Inc. in exchange for a commitment to create 425 new full-time equivalent employees generating \$24,225,000 in new annual payroll at the project location in the City of Findlay, Hancock 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 1/1/2017 and end on 12/31/2024. Crider seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Shadow Holdings LLC dba Bocchi Laboratories appeared before the Tax Credit Authority requesting a tax credit for a project in the City of New Albany, Licking County. Hennessy made a motion to approve a tax credit of 60% for 7 years for Shadow Holdings LLC dba Bocchi Laboratories in exchange for a commitment to create 300 new full-time equivalent employees generating \$7,488,000 in new annual payroll at the project location in the City of New Albany, Licking 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 12/31/2022. Crider seconded. The vote was 4-0. All present voted yes.

Rhinegeist, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Cincinnati, Hamilton County. Hennessy made a motion to approve a tax credit of 40% for 5 years for Rhinegeist, LLC in exchange for a commitment to create 40 new full-time equivalent employees generating \$1,200,000 in new annual payroll and retaining \$550,000 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 1/1/2014 and end on 12/31/2018. Smith seconded. The vote was 4-0. All present voted yes.

Hynes Industries, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in Austintown Township, Mahoning County. Hennessy made a motion to approve a tax credit of 40% for 7 years for Hynes Industries, Inc. in exchange for a commitment to create 42 new full-time equivalent employees generating \$1,774,500 in new annual payroll and retaining \$7,800,000 in existing payroll at the project location in Austintown Township, Mahoning 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. Crider seconded. The vote was 4-0. All present voted yes.

Lakeview Farms, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Delphos, Allen County. Hennessy made a motion to approve a tax credit of 55% for 8 years for Lakeview Farms, LLC in exchange for a commitment to create 200 new full-time equivalent employees generating \$6,400,000 in new annual payroll and retaining \$9,500,000 in existing payroll at the project location in the City of Delphos, Allen 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. Crider seconded. The vote was 4-0. All present voted yes.

OTHER BUSINESS

Dana Automotive Systems Group LLC

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

- (1) Extend the term of the 70%/12 year JCTC by 2 years, ending 12/31/2017.
- (2) Increase the 2002 original fixed asset investment commitment by \$28,600,000, including \$24,600,000 in building costs and \$4,000,000 in machinery and equipment costs.
- (3) Create an additional 50 new FTEs with \$4,500,000 in payroll, exclusive of benefits by 12/31/2017.
- (4) Including the 2002 commitment, over performance, and with the new commitment, the total number of jobs committed to be on the project site by the metric evaluation date is 750 FTEs, with a total payroll of \$46,360,000.
- (5) To be eligible for the tax credit extension, Dana must maintain at least 700 FTEs at the project site during calendar years 2016 and 2017. In the event that Dana is below 700 FTEs as of 12/31/16, no certificate will be issued for calendar year 2016 and will result in automatic termination of the 2-year extension.

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

Komyo America Co., Inc.

The staff recommends that the Authority reduce the term of the tax credit for failure to create the required number of jobs as set forth in the tax credit agreement. Due to this failure, the Authority has statutory authorization to reduce the term of the tax credit agreement. On December 6, 2004, the grantee was approved for a 65%/10 year tax credit in exchange for a commitment to create 110 new FTEs and retain 100 FTEs at the project location. The grantee's 2010 annual report showed 172 total FTEs, below the commitment of 210 total FTEs, thereby making the grantee non-compliant with the agreement. Based on this information, the staff

recommends that the Authority reduce the term of the agreement to 7 years, ending 1/1/2015. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2015 to 2021.

The staff also recommends that the Authority change the project address from 10 South Stanfield Road, Troy, OH 45373-2308 to 151 Commerce Center Blvd., Troy, OH 45373.

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

Sabin Robbins Paper Company

The Staff recommends that the Authority terminate the tax credit agreement with clawback for failure to maintain operations during the post-term reporting period. Due to this failure, the Authority has statutory authorization to require clawback of 50% of the credits issued, which totaled \$134,198.30. On March 22, 1993, the grantee was approved for a 55%/8 year tax credit in exchange for a commitment to create 35 new FTEs and retain 17 FTEs at the project location. In March 2014, DSA learned that the grantee ceased operations at the project location. DSA was provided with a statement on market conditions. Based on this information, the Staff recommends a clawback of \$45,000, which is 34% of the credits issued, subject to due diligence by DSA and the AGO's bankruptcy division. In addition, the company agrees to forego unclaimed certificates issued and/or waive any unissued or pending certificates.

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

Schwab Retirement Plan Services, Inc.

The staff recommends that the Authority reduce the term of the tax credit for failure to create the required number of jobs as set forth in the agreement. Due to this failure, the Authority has statutory authorization to reduce the term of the tax credit agreement. On October 27, 2004, the grantee was approved for a 60%/8 year tax credit in exchange for a commitment to create 150 new FTEs and retain 572 FTEs at the project location. The grantee's 2011 annual report showed 35 new FTEs, thereby making the grantee non-compliant with the agreement. Based on this information, the staff recommends that the Authority reduce the term of the agreement to 5 years, ending 1/1/2014. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2014 to 2018.

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

WhiteWater Building Products Inc.

The staff recommends that the Authority amend the previous action to reduce the amount of clawback to \$9,000. At the March 3, 2014 meeting, the TCA approved a clawback of 25%, amounting to \$36,000. DSA had sent previous notice to the address on the agreement, which was not forwarded to the company's updated mailing address. This prevented the company from having an opportunity to provide information on market conditions that contributed to its closure. Since the March 3rd meeting, the company has restored contact and informed DSA of previous communication regarding updated contact information, a formal notice of dissolution, and market conditions. DSA has since confirmed that this communication was received in 2012. This new recommendation considers the adverse market conditions that impacted the company.

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

Magnetic Lifting Technologies US, LLC

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has agreed to waive any previously issued, pending or unissued tax credit certificates. DSA reserves the right to clawback if any certificates are used.

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

Tata Business Support Services Limited, Inc.

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has agreed to waive any previously issued, pending or unissued tax credit certificates. DSA reserves the right to clawback if any certificates are used.

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

CSAFE LLC

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has agreed to waive any pending or unissued tax credit certificates

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

Bluemile, Inc.

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 previously issued, pending or unissued tax credit certificates.

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

1600 North Main, LLC

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 previously issued, pending or unissued tax credit certificates.

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

Owens-Brockway Glass Container Inc.

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 previously issued, pending or unissued tax credit certificates.

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

Owens-Brockway Glass Container Inc.

The staff recommends that the Authority reduce the retained employee commitment from 794 to 751 FTEs. The originally approved number of retained employees was based on a headcount as opposed to full-time equivalents as defined by the Ohio Administrative Code.

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

Intelligrated, Inc.

The staff recommends that the Authority add the following grantees to the tax credit agreement: (1) Knighted, LLC (and associated FEIN); (2) Intelligrated Services, LLC (and associated FEIN).

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

Ohio Star Forge Co.

The staff recommends that the Authority reduce the Ohio tax withholdings from \$246,778 to \$233,285, which will reduce the baseline income tax revenue to \$220,127.73 in year 1 and \$243,662.45 in year 2. The financial assistance application filed by the company mistakenly included tax withholdings of the company's Pennsylvania

employees.

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

Mitsubishi Chemical Performance Polymers, Inc.

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

- (1) Reduce the retained employee commitment from 76 to 63 FTEs;
- (2) Reduce the retained payroll from \$5,216,640 to \$2,600,000;
- (3) Reduce the Ohio tax withholding from \$293,000 to \$148,920;
- (4) Reduce the jobs created payroll from \$1,527,240 to \$832,000.

The financial assistance application inadvertently included employees whose jobs were created due to the acquisition of the A. Schulman Plant, and included employees who were not extended offers during the acquisition and were never Mitsubishi employees. The original payroll numbers included benefits, which should have been excluded from payroll numbers.

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

The BON-TON Department Stores, Inc.

The staff recommends that the Authority update the previously TBD project location to 115 Enterprise Pkwy, West Jefferson, OH 43162.

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

Steris Corporation

Per the company's request, the staff recommends that the Authority cancel the tax credit extension that was approved on April 26, 2010. By cancelling the extension, the program will revert to the job commitments and rate as originally approved by the TCA. The original approval was to create 74 new jobs while retaining 758 employees in exchange for a JCTC of 60% for 10 years.

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

Steris Corporation

Per the company's request, the staff recommends that the Authority cancel the job creation tax credit effective 1/1/2014. For ease of reporting and because they are owned by the same entity, this agreement is being combined with program number TI_2010_0334.

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

United States Endoscopy Group, Inc.

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

- 1) Reassign the agreement to the parent company, Steris Corporation (and associated FEIN);
- 2) Add a project location to the agreement at 6100 Heisley Rd. Mentor, OH;
- 3) Extend the term of the tax credit from 50%/3 years and 45%/3 years to 50%/3 years and 45%/7 years, for a total term of ten years;
- 4) Reduce the new employee commitment from 150 new jobs to 71 new jobs, which aligns the commitment with program number TI_2011_14760, which is being cancelled and merged into this agreement.

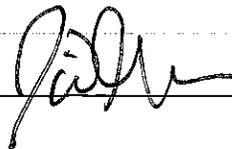
Hennessy made a motion to accept staff recommendation and Crider seconded. The vote was 4-0. All present voted yes.

MOTION TO AJOURN

The meeting was adjourned at 12:07 pm by Daryl Hennessy.

The next meeting is scheduled June 30, 2014 at 10:00 a.m. on the 31st Floor.

Acting Chair of Ohio Tax Credit Authority's Signature

A handwritten signature in black ink, appearing to read "David Goodman", written over a solid horizontal line.

**David Goodman
Director**