

**OHIO TAX CREDIT AUTHORITY MEETING  
MEETING MINUTES  
MEETING DATE: MAY 20, 2019**

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:00 a.m. on May 20, 2019 in Columbus, Ohio by Lydia Mihalik.

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

**Staff Members Present:** Rasheda Hansard, Daniel Strasser, David Hicks, Lisa Colbert, and John Werkman

**Others present:** Kevin Watson, Grant Wipple, Tom Stipkovich, Justin Bickle, and Sarah Custer

**Minutes Approval:** Cooper made a motion to approve the minutes of the April 29, 2019 meeting. Bradley seconded. The vote was 3-0 yes. Voting Cooper, Bradley, and Mihalik.

**PROJECTS**

**Wal-Mart Associates, Inc.** appeared before the Tax Credit Authority requesting a tax credit for a project in the Cities of Groveport and Grove City, Franklin County. Mihalik made a motion to approve a tax credit of 1.182% for 7 years for Wal-Mart Associates, Inc. in exchange for a commitment to create 525 new full-time equivalent employees generating \$17,485,000 in new annual payroll and retaining \$41,886,664 in existing payroll at the project location in the Cities of Groveport and Grove City, 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. Cooper seconded. The vote was 3-0. All present voted yes.

**Beam Technologies Inc.** 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 2.114% for 9 years for Beam Technologies Inc. in exchange for a commitment to create 150 new full-time equivalent employees generating \$13,500,000 in new annual payroll and retaining \$3,979,394 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 12/31/2028. Bradley seconded; Kelly abstained. The vote was 3-0. All present voted yes.

**MAC ITS, LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Vandalia, Montgomery County. Mihalik made a motion to approve a tax credit of 1.153% for 6 years for MAC ITS, LLC in exchange for a commitment to create 79 new full-time equivalent employees generating \$3,057,600 in new annual payroll and retaining \$2,807,168 in existing payroll at the project location in the City of Vandalia, 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 12/31/2025. Bradley seconded. The vote was 4-0. All present voted yes.

**OTHER BUSINESS**

**Legacy Measurement Solutions, Inc. (Brookfield Township/Trumbull 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 10/28/2013, the grantee was approved for a 55%/7 year tax credit in exchange for a commitment to create 150 FTEs at the project location. ODSA 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 credits issued, which totaled \$189,055.31. 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 \$189,055.31.

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

**AdvancePierre Foods, Inc. (City of Blue Ash/Hamilton 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 4/28/2014, the grantee was approved for a 55%/7 year tax credit in exchange for a commitment to create 43 FTEs and retain 59 FTEs at the project location. ODSA 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 \$583,975.75. After taking into consideration the company's other operations in Ohio, the staff recommends that the Authority terminate the agreement with clawback of \$400,000.

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

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

The staff recommends that the Authority terminate the tax credit agreement with clawback for failure to submit the 2017 post-term annual report. On 9/27/2010, the grantee was approved for a 45%/5 year tax credit in exchange for a commitment to create 30 FTEs at the project location. Staff has made multiple attempts to contact the company, but the 2017 annual report has not been filed. Due to the grantee's failure to file the report, the Authority has statutory authorization to terminate the tax credit agreement with a clawback of 75% of credits issued, which totaled \$199,716.01. Based on this information, the staff recommends terminating the agreement with clawback of \$149,787.00.

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

**CE Power Solutions, LLC (City of Cincinnati/Hamilton County)**

The staff recommends that the Authority terminate the tax credit agreement with clawback for failure to submit the 2017 annual report. On 9/30/2013, the grantee was approved for a 40%/6 year tax credit in exchange for a commitment to create 24 FTEs and retain 52 FTEs at the project location. Staff has made multiple attempts to contact the company, but the 2017 annual report has not been filed. Due to the grantee's failure to file the report, the Authority has statutory authorization to terminate the tax credit agreement with a clawback of 100% of credits issued, which totaled \$160,248.27. Based on this information, the staff recommends terminating the agreement with clawback of \$160,248.27.

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

**RevLocal, Inc. (Cities of Mount Vernon and Granville/ Knox and Licking Counties)**

The staff recommends that the Authority change the name of the grantee on the agreement from, RevLocal, Inc. to RevLocal, LLC, effective 6/1/2016. The FEIN remains unchanged. The company has restructured into an LLC.

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

**The Kroger Co. (City of Monroe/Butler County)**

The staff recommends that the Authority change the name of a sub grantee on the agreement from Ocado Group PLC to Ocado Solutions USA Inc. The FEIN remains unchanged.

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

**DSW Inc. (City of Columbus/Franklin County)**

The staff recommends that the Authority change the name of the grantee on the agreement from DSW Inc. to Designer Brands Inc., effective 4/1/2019. The FEIN remains unchanged.

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

**Fairmount Santrol Inc. (City of Independence/Cuyahoga County)**

The staff recommends that the Authority make the following changes:

- 1) Remove the project location at 8834 Mayfield Rd., Chesterland, OH 44026 from the tax credit agreement;
- 2) Update the Independence project location to reflect the suite number. The project location is now Summit Office Park 3 Summit Park Dr, Ste. 700, Independence, OH 44131;
- 3) Reassign the grantee on the tax credit agreement from Fairmount Santrol, Inc. (and associated FEIN) to Covia Holdings Corporation (and associated FEIN), effective 6/1/2018.

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

**Walgreen Co. (City of Perrysburg/Wood County)**

The staff recommends that the Authority change the retained jobs commitment from 679 to 618 FTEs. The associated retained payroll will be reduced from \$27,384,884 to \$26,961,280. The baseline Ohio employee payroll will be \$27,233,589 for year 1 and \$27,508,648 for year 2.

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

**Venture Packaging Midwest, Inc. (Village of Monroeville/Huron County)**

With the company's written consent, the staff recommends that the Authority approve the conversion of the grantee's Ohio Job Creation Tax Credit program from a withholdings-based incentive to a payroll-based incentive. Staff recommends the following changes to the tax credit agreement:

- 1) Change the tax credit rate from 40% to 0.826%.

These changes are authorized by ORC 122.17(R), effective 9/29/2015.

The staff also recommends that the Authority reduce the retained payroll from \$12,825,724 to \$12,511,821. The baseline Ohio employee payroll will be \$12,787,081.06 for year 1 and \$13,068,396.85 for year 2.

Mihalik 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 10:24 a.m. by Lydia Mihalik.

The next meeting is scheduled June 24, 2019 at 10:00 a.m. on the 31<sup>st</sup> Floor.

Chair of Ohio Tax Credit Authority's Signature

