

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

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:01 a.m. on July 28, 2014 in Columbus, Ohio by David Goodman.

Roll Call:	David Goodman, Chair	Present
	David Smith	Present
	Emmett Kelly	Present
	Rod Crider	Present
	Vacant	-----

**Staff Members Present:** John Werkman, Daniel Strasser, Stephanie Gostomski, Eric Linder, and Sean Byrne

**Others present:** Matt Cybulski, Andrew Charlton, Thomas Seward, Matt Deptola, Taylor Stepp, Patty Huddle, Julie Sullivan, Katy Farber, Ed Looman, Kimm Coyner, Stephanie Mercado, and Walt Good

**Minutes Approval:** Goodman made a motion to approve the minutes of the May 20, 2014 meeting. Smith seconded. The vote was 3-0 yes. Voting Goodman, Crider, and Smith.

**PROJECTS**

**Zulily, 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 75% for 12 years for Zulily, Inc. in exchange for a commitment to create 900 new full-time equivalent employees generating \$28,000,000 in new annual payroll and retaining \$4,843,996 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 12/31/2026. Kelly seconded. The vote was 4-0. All present voted yes.

**Goken America, LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Dublin, Franklin County. Goodman made a motion to approve a tax credit of 45% for 5 years for Goken America, LLC in exchange for a commitment to create 15 new full-time equivalent employees generating \$1,648,766 in new annual payroll and retaining \$1,051,872 in existing payroll at the project location in the City of Dublin, 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 12/31/2019. Smith seconded. The vote was 4-0. All present voted yes.

**Chris Hamrick, DBA Basecraft** 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 5 years for Chris Hamrick, DBA Basecraft in exchange for a commitment to create 30 new full-time equivalent employees generating \$1,199,952 in new annual payroll and retaining \$202,360 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 12/31/2019. Kelly seconded. The vote was 4-0. All present voted yes.

**MPW Industrial Services, Inc., MPW Manufacturing Services, LLC, and MPW Transportation Services, LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in Union Township, Licking County. Goodman made a motion to approve a tax credit of 50% for 6 years for MPW Industrial Services, Inc., MPW Manufacturing Services, LLC, and MPW Transportation Services, LLC in exchange for a commitment to create 25 new full-time equivalent employees generating \$1,000,000 in new annual payroll and retaining \$16,863,000 in existing payroll at the project location in Union Township, 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 1/1/2015 and end on 12/31/2020. Crider seconded. The vote was 4-0. All present voted yes.

**Speedway LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in Mad River Township, Clark County and in the City of Springfield, Clark County. Goodman made a motion to approve a tax credit of 60% for 10 years for Speedway LLC in exchange for a commitment to create 350 new full-time equivalent employees generating \$14,000,000 in new annual payroll and retaining \$39,000,000 in existing payroll at the project location in Mad River Township, Clark County and in the City of Springfield, Clark 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 12/31/2024. Smith seconded; Kelly abstained. The vote was 3-0. All present voted yes.

**iHealth Solutions LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the Village of South Point, Lawrence County. Goodman made a motion to approve a tax credit of 50% for 7 years for iHealth Solutions LLC in exchange for a commitment to create 75 new full-time equivalent employees generating \$3,019,500 in new annual payroll at the project location in the Village of South Point, Lawrence 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; Kelly abstained. The vote was 3-0. All present voted yes.

**SGP South Point, LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the Village of South Point, Lawrence County. Goodman made a motion to approve a tax credit of 55% for 8 years for SGP South Point, LLC in exchange for a commitment to create 100 new full-time equivalent employees generating \$5,530,720 in new annual payroll at the project location in the Village of South Point, Lawrence 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.

**Kraft Foods Group, Inc.** appeared before the Tax Credit Authority requesting a tax credit for a project in Mad River Township, Clark County and in the City of Coshocton, Coshocton County. Goodman made a motion to approve a tax credit of 60% for 10 years for Kraft Foods Group, Inc. in exchange for a commitment to create 300 new full-time equivalent employees generating \$8,736,000 in new annual payroll and retaining \$14,066,004 in existing payroll at the project location in the City of Coshocton, Coshocton 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 12/31/2024. Crider seconded; Kelly abstained. The vote was 3-0. All present voted yes.

**Sugar Creek Packing Co.** appeared before the Tax Credit Authority requesting a tax credit for a project in West Chester Township, Butler County. Goodman made a motion to approve a tax credit of 45% for 7 years for Sugar Creek Packing Co. in exchange for a commitment to create 58 new full-time equivalent employees generating \$1,800,000 in new annual payroll and retaining \$5,800,000 in existing payroll at the project location in West Chester Township, 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. Smith seconded. The vote was 4-0. All present voted yes.

**TruBridge, Inc.** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of North Canton, Stark County. Goodman made a motion to approve a tax credit of 40% for 5 years for TruBridge, Inc. in exchange for a commitment to create 100 new full-time equivalent employees generating \$2,500,000 in new annual payroll and retaining \$5,844,599 in existing payroll at the project location in the City of North Canton, Stark 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. Crider seconded. The vote was 4-0. All present voted yes.

**Core-Mark Holding Company, 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 50% for 7 years for Core-Mark Holding Company, Inc. in exchange for a commitment to create 150 new full-time equivalent employees generating \$6,000,000 in new annual 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 12/31/2021. Smith seconded. The vote was 4-0. All present voted yes.

## **OTHER BUSINESS**

### **ThyssenKrupp Bilstein Of America**

The staff recommends that the Authority approve the following changes:

- (1) Extend the term of the 45%/6 year tax credit by two years to 45%/8 years;
- (2) Increase the created job commitment from 100 to 337 FTEs;
- (3) Increase the created payroll commitment from \$2,912,000 to \$9,838,821;
- (4) Increase the investment commitment from \$5,400,000 to \$25,550,000, including \$19,800,000 in new machinery/equipment and \$5,750,000 in building costs.

If these commitments are not met by 12/31/2018, the JCTC-Extension will be revoked.

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

### **Information Control Corporation**

The staff recommends that the Authority approve the following changes:

- (1) Extend the term of the 50%/7 year tax credit by two years to 50%/9 years;
- (2) Increase the created job commitment from 75 to 184 FTEs;
- (3) Increase the created payroll from \$5,300,000 to \$17,257,630;
- (4) Increase the investment commitment from \$600,000 to \$800,000, including \$600,000 in new machinery/equipment and \$200,000 in building costs.

If these commitments are not met by 12/31/2017, the JCTC-Extension will be revoked.

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

### **Crown Partners, LLC**

The staff recommends that the Authority reduce the rate and 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 rate and term of the tax credit agreement. On April 25, 2011, the grantee was approved for a 55%/7 year tax credit in exchange for a commitment to create 105 new FTEs and retain 28 FTEs at the project location. The grantee's 2013 annual report showed 38 new FTEs, thereby making the grantee non-compliant with the agreement. Based on this information, the staff recommends that the Authority reduce the rate and term of the tax credit to 50% for years 2014 - 2016, and the term of the agreement to 6 years, ending 12/31/2016. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2017 - 2019.

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

### **Smart IT Staffing LLC**

The staff recommends that the Authority reduce the rate and 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 rate and term of the tax credit agreement. On April 20, 2011, the grantee was approved for a 55%/6 year tax credit in exchange for a commitment to create 54 new FTEs and retain 10 FTEs at the project location. The grantee's 2013 annual report showed 64 new FTEs and only \$2,882,678.64 in associated new payroll, thereby making the grantee non-compliant with the agreement. Based on this information, the staff recommends that the Authority reduce the rate of the tax credit to 40% for years 2014 - 2016 with the term ending 12/31/2016. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2017 - 2019.

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

### **VXI Global Solutions, 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 September 28, 2009, the grantee was approved for a 40%/5 year tax credit. The benefits were later increased to a 50%/6 year tax credit in exchange for a commitment to create 1,000 new FTEs at the project location. Annual reports submitted by the grantee for years 2010-2013 show that the grantee was only able to create a total of 359 FTEs at its highest point. The 2013 annual report shows that the grantee employs 339 people at its Youngstown project location with an average hourly wage rate below the \$10.88 minimum required, thereby making the grantee non-compliant with the agreement. Based on this information, the staff recommends that the Authority reduce the term of the tax credit to 5 years with the term ending 1/1/2015. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2015 - 2019.

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

### **Micro-Poise Measurement Systems, LLC**

The staff recommends that the Authority terminate the tax credit agreement for failure to submit the 2012 and 2013 annual reports to DSA. On April 25, 2011, the grantee was approved for a 50%/7 year tax credit in exchange for a commitment to create 50 new jobs and retain 150 jobs at the project location. The grantee received a letter from DSA dated June 5, 2014 requiring that the outstanding 2012 and 2013 annual reports be submitted by June 16, 2014. The annual reports to this date have not been submitted, and per section 5 of the agreement, the grantee is in default. Based on this information, the staff recommends terminating the agreement.

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

### **InfoCision Management Corporation**

The staff recommends that the Authority terminate the tax credit agreement with clawback for failure to maintain operations during the term of the tax credit. Due to this failure, the Authority has statutory authorization to require clawback of 100% of the credits issued, which totaled \$42,570. On September 26, 2005, the grantee was approved for a 50%/5 year tax credit in exchange for a commitment to create 250 new jobs at the project location. In April 2013, DSA learned that the grantee ceased operations at the project location in December 2010. A June 2013 letter informed the grantee of this non-compliance, but it appears that no subsequent action was taken by DSA. Since then, the grantee has informed DSA of adverse market conditions. Based on this information, the staff recommends a clawback of \$21,000, which is 50% of the credits issued. This new recommendation considers the adverse market conditions that impacted the company.

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

### **Total Quality Logistics, LLC**

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 50 FTEs to 20 FTEs. The corresponding new payroll commitment will be reduced from \$1,970,800 to \$750,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 45%/6 year tax credit to 45%/2 years and 35%/3 years (45% for 2012 and 2013, 35% for 2014 – 2016), for a total of 5 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2017-2019.

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

*\*\*Emmett Kelly left the meeting*

### **FIMM USA, Inc.**

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 25 FTEs to 15 FTEs. The corresponding new payroll commitment will remain

at \$660,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 40%/5 year tax credit to 40%/2 years and 35%/3 years (40% for 2012 and 2013, 35% for 2014 - 2016), for a total of 5 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2017-2019.

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

#### **Cutting Edge Countertops, Inc.**

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 25 FTEs to 10 FTEs. The corresponding new payroll commitment will remain at \$700,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 40%/5 year tax credit to 40%/2 years and 35%/3 years (40% for 2012 and 2013, 35% for 2014 - 2016), for a total of 5 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2017-2019.

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

#### **Cleveland Research Company, LLC**

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 30 FTEs to 10 FTEs. The corresponding new payroll commitment will be reduced from \$1,800,000 to \$700,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 40%/6 year tax credit to 40%/2 years and 35%/3 years (40% for 2012 and 2013, 35% for 2014 - 2016), for a total of 5 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2017-2019.

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

#### **Global Scrap Management, Inc.**

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 40 FTEs to 30 FTEs. The corresponding new payroll commitment will be reduced from \$1,700,000 to \$1,130,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 45%/5 year tax credit to 45%/2 years and 35%/3 years (45% for 2012 and 2013, 35% for 2014 - 2016), for a total of 5 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2017-2019.

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

#### **Marcus Thomas, LLC**

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 35 FTEs to 25 FTEs. The corresponding new payroll commitment will be reduced from \$2,300,000 to \$1,600,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 45%/5 year tax credit to 45%/2 years and 40%/3 years (45% for 2012 and 2013, 40% for 2014 - 2016), for a total of 5 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2017-2019.

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

#### **SpeedFC, Inc.**

The staff recommends that the Authority reassign the tax credit from SpeedFC, Inc. (and associated FEIN) to Navarre Corporation (and associated FEIN). SpeedFC, Inc. was purchased by the Navarre Corporation in November, 2012.

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

voted yes.

**Spintech Ventures, LLC**

The staff recommends that the Authority reassign the tax credit from Spintech Ventures, LLC to Spintech, LLC. The FEIN remains the same.

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

**idX Dayton, LLC**

The staff recommends that the Authority update the previously TBD project location to 2875 Needmore Rd., Dayton, OH 45414.

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

**Allied Mineral Products, Inc.**

The staff recommends that the Authority change the baseline income tax revenue from \$602,144 to \$589,214. Income tax revenue from employees not working at the project location was erroneously included in the financial assistance application.

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

**Morris Technologies, Inc.**

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has agreed to repay DSA \$34,927.50, which was claimed against the 2011 tax credit certificate. In addition, the company has agreed to waive any pending or unissued tax credit certificates.

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

**KDM Signs, 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 pending or unissued tax credit certificates.

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

**The Dannon Company, Inc.**

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company was issued a certificate for 2012, but staff was able to confirm that it was not claimed. The company has agreed to waive the rights to any previously issued, pending or unissued tax credit certificates. DSA reserves the statutory right of clawback if any certificates are used.

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

**Banner Metals Group, 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 pending or unissued tax credit certificates.

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

**PEQ Services + Solutions, Inc.**

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company was issued certificates for 2008 and 2009, but staff was able to confirm that they were not claimed. The company has agreed to waive the rights to any previously issued, pending or unissued tax credit certificates. DSA reserves the statutory right of clawback if any certificates are used.

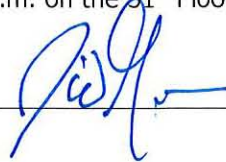
Goodman made a motion to accept staff recommendation and Crider seconded. The vote was 3-0. All present voted yes.

**MOTION TO AJOURN**

The meeting was adjourned at 11:27 pm by David Goodman.

The next meeting is scheduled August 25, 2014 at 10:00 a.m. on the 31<sup>st</sup> Floor.

Chair of Ohio Tax Credit Authority's Signature



**David Goodman**  
**Director**