

**OHIO TAX CREDIT AUTHORITY MEETING
MEETING MINUTES
MEETING DATE: JULY 30, 2018**

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:05 a.m. on July 30, 2018 in Columbus, Ohio by Matt Peters.

Roll Call:	Matt Peters, Acting Chair	Present
	Darnita Bradley	Present
	Brian Cooper	Present
	Emmett Kelly	Present
	David Smith	Present

Staff Members Present: Rasheda Hansard, Daniel Strasser, Eric Lindner, Lisa Colbert, John Werkman, Todd Walker, and Meghan Wadsworth

Others present: Eva Ruff, Justin Bickle, Kevin Donnelly, Chase Eikenbary, Walt Good, and Erika Roitblat

Minutes Approval: Smith made a motion to approve the minutes of the June 25, 2018 meeting. Bradley seconded. The vote was 4-0 yes. Voting Peters, Smith, Bradley, and Cooper.

PROJECTS

CoverMyMeds LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Columbus, Franklin County. Peters made a motion to approve a tax credit of 2.350% for 12 years for CoverMyMeds LLC in exchange for a commitment to create 1,032 new full-time equivalent employees generating \$75,300,000 in new annual payroll and retaining \$35,500,000 in existing payroll at the project location in the City of Columbus, Franklin County. In addition, the company will claim the tax credit on 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 1/1/2019 and end on 12/31/2030. Bradley seconded; Kelly abstained. The vote was 4-0. All present voted yes.

Design Within Reach, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in Williamsburg Township, Clermont County. Peters made a motion to approve a tax credit of 1.193% for 6 years for Design Within Reach, Inc. in exchange for a commitment to create 63 new full-time equivalent employees generating \$2,407,779 in new annual payroll and retaining \$587,985 in existing payroll at the project location in Williamsburg Township, Clermont 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. Smith seconded. The vote was 5-0. All present voted yes.

L3 Cincinnati Electronics Corporation appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Mason, Warren County. Peters made a motion to approve a tax credit of 1.906% for 9 years for L3 Cincinnati Electronics Corporation in exchange for a commitment to create 245 new full-time equivalent employees generating \$20,999,012 in new annual payroll and retaining \$62,400,052 in existing payroll at the project location in the City of Mason, Warren 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 1/1/2019 and end on 12/31/2027. Kelly seconded. The vote was 5-0. All present voted yes.

First Solar, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the Village of Walbridge, Wood County. Peters made a motion to approve a tax credit of 2.267% for 15 years for First Solar, Inc. in exchange for a commitment to create 1,000 new full-time equivalent employees generating \$60,000,000 in new annual payroll and retaining \$65,663,635 in existing payroll at the project location in the Village of Walbridge, Wood 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 1/1/2019 and end on 12/31/2033. Cooper seconded; Kelly abstained. The vote was 4-0. All present voted yes.

JAC Products, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Napoleon, Henry County. Peters made a motion to approve a tax credit of 1.561% for 10 years for JAC Products, Inc. in exchange for a commitment to create 357 new full-time equivalent employees generating \$14,500,000 in new annual payroll at the project location in the City of Napoleon, Henry 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 1/1/2019 and end on 12/31/2028. Smith seconded. The vote was 5-0. All present voted yes.

RhinoSystems, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Brooklyn, Cuyahoga County. Peters made a motion to approve a tax credit of 1.527% for 8 years for RhinoSystems, Inc. in exchange for a commitment to create 117 new full-time equivalent employees generating \$5,865,578 in new annual payroll and retaining \$884,000 in existing payroll at the project location in the City of Brooklyn, Cuyahoga 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 1/1/2019 and end on 12/31/2026. Bradley seconded. The vote was 5-0. All present voted yes.

Search Discovery, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Cleveland, Cuyahoga County. Peters made a motion to approve a tax credit of 1.374% for 6 years for Search Discovery, Inc. in exchange for a commitment to create 51 new full-time equivalent employees generating \$6,908,413 in new annual payroll and retaining \$3,062,700 in existing payroll at the project location in the City of Cleveland, Cuyahoga 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 1/1/2019 and end on 12/31/2024. Kelly seconded. The vote was 5-0. All present voted yes.

O'Reilly Auto Enterprises, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Twinsburg, Summit County. Peters made a motion to approve a tax credit of 1.347% for 8 years for O'Reilly Auto Enterprises, LLC in exchange for a commitment to create 350 new full-time equivalent employees generating \$10,375,000 in new annual payroll at the project location in the City of Twinsburg, Summit 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 12/31/2027. Bradley seconded. The vote was 5-0. All present voted yes.

ProVia LLC appeared before the Tax Credit Authority requesting a tax credit for a project in Franklin Township, Tuscarawas County. Peters made a motion to approve a tax credit of 1.538% for 8 years for ProVia LLC in exchange for a commitment to create 197 new full-time equivalent employees generating \$8,865,000 in new annual payroll at the project location in Franklin Township, Tuscarawas 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 12/31/2027. Kelly seconded; Cooper abstained. The vote was 4-0. All present voted yes.

Zimmer Surgical, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Broadview Heights, Cuyahoga County. Peters made a motion to approve a tax credit of 1.756% for 8 years for Zimmer Surgical, Inc. in exchange for a commitment to create 25 new full-time equivalent employees generating \$2,000,000 in new annual payroll and retaining \$3,440,000 in existing payroll at the project location in the City of Broadview Heights, Cuyahoga 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 1/1/2019 and end on 12/31/2026. Cooper seconded; Kelly abstained. The vote was 4-0. All present voted yes.

OTHER BUSINESS

Malt Products Corporation (City of Dayton/Montgomery County)

The staff recommends that the Authority reduce the rate of the tax credit for failure to create the required amount of jobs and payroll as set forth in the agreement. Due to this failure, the Authority has statutory authorization to reduce the rate of the tax credit agreement. On 4/29/2013, the grantee was approved for a 45%/7 year tax credit in exchange for a commitment to create 30 FTEs with \$1,509,030 in new payroll and to retain 35 FTEs with \$1,760,535 in baseline payroll at the project location. The grantee's 2017 annual report showed 55 total FTEs with \$3,453,374.89 in total payroll, thereby making the grantee non-compliant with the tax credit agreement. Based on

this information, the staff recommends that the Authority reduce the rate of the tax credit agreement to 40% starting in 2018. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2022 – 2024.

Peters made a motion to accept staff recommendation and Kelly seconded. The vote was 5-0. All present voted yes.

Parker-Hannifin Corporation (City of Ravenna/Portage County)

The staff recommends that the Authority reduce the term of the tax credit for failure to create the required amount of jobs and payroll 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 3/26/2012, the grantee was approved for a 45%/5 year tax credit in exchange for a commitment to create 29 FTEs with \$1,400,000 in new payroll and to retain 304 FTEs with \$20,300,000 in baseline payroll and at the project location. The grantee's 2017 annual report showed 306 total FTEs with \$21,546,962 in total payroll, thereby making the grantee non-compliant with the tax credit agreement. Based on this information, the staff recommends that the Authority reduce the term of the tax credit agreement to 3 years, ending 12/31/2017. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2018 – 2020.

Peters made a motion to accept staff recommendation and Cooper seconded. The vote was 5-0. All present voted yes.

Pride of the Hills Manufacturing, Inc. (Village of Killbuck/Holmes County)

The staff recommends that the Authority terminated the tax credit agreement with clawback for failure to maintain operations during the post-term reporting period. On 1/25/2010, the grantee was approved for a 40%/6 year tax credit in exchange for a commitment to create 70 FTEs and to retain 52 FTEs at the project location. In September 2017, ODSA 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 75% of the credits issued, which totaled \$312,879.91. The grantee did not respond to a request for market conditions. Based on this information, the staff recommends that the Authority terminated the agreement with clawback of \$234,659.93.

Peters made a motion to accept staff recommendation and Kelly seconded. The vote was 5-0. All present voted yes.

IBOD Company, Inc. (City of Columbus/Franklin County)

The staff recommends that the Authority change the name of the grantee from IBOD Company, Inc. to Root Holdings, Inc.

Peters made a motion to accept staff recommendation and Bradley seconded. The vote was 5-0. All present voted yes.

Apio, Inc. (City of Bowling Green/Wood County)

The staff recommends that the Authority make the following changes:

- (1) Reduce the retained job commitment from 176 to 129 FTEs;
- (2) Reduce the retained payroll from \$12,087,502 to \$7,480,882;
- (3) Reduce the created payroll from \$10,152,340 to \$8,250,000. The created job commitment will remain at 150 FTEs.

Peters made a motion to accept staff recommendation and Smith seconded. The vote was 5-0. All present voted yes.

Morgan Stanley Smith Barney LLC (City of Columbus/Franklin County)

The staff recommends that the Authority add the grantee, Morgan Stanley Services Group Inc. (and associated FEIN) to the tax credit agreement.

Peters made a motion to accept staff recommendation and Bradley seconded. The vote was 5-0. All present voted yes.

GB Food Inc. (City of Heath/Licking County)

The staff recommends that the Authority add the project location at 670 Kaiser Dr.,Heath, OH 43056.

Peters made a motion to accept staff recommendation and Smith seconded. The vote was 5-0. All present voted yes.

Owens & Minor Distribution, Inc. (Village of Obetz/Franklin County)

The staff recommends that the Authority make the following changes:

- (1) Reduce the new job commitment from 55 to 45 FTEs (no change in payroll);
- (2) Reduce the term of the tax credit from 6 to 5 years ending 12/31/2022.

Peters made a motion to accept staff recommendation and Kelly seconded. The vote was 5-0. All present voted yes.

CoverMyMeds LLC (City of Columbus/Franklin County)

The staff recommends that the Authority reduce the term of the tax credit from 6 to 3 years ending 12/31/2017. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2018-2020.

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

Rostam Direct, LLC (City of Tipp City, & Village of Lewisburg, Montgomery, Miami, & Preble Counties)

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 and has agreed to waive any pending or unissued tax credit certificates.

Peters made a motion to accept staff recommendation and Cooper seconded. The vote was 5-0. All present voted yes.

MOTION TO AJOURN

The meeting was adjourned at 10:54 a.m. by Matt Peters.

The next meeting is scheduled August 27, 2018 at 10:00 a.m. on the 31st Floor.

Chair of Ohio Tax Credit Authority's Signature

A handwritten signature in cursive script, appearing to read "Matt Peters", is written over a horizontal line. The signature is fluid and extends slightly below the line.