

**OHIO TAX CREDIT AUTHORITY MEETING
MEETING MINUTES
MEETING DATE: AUGUST 25, 2014**

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:05 a.m. on August 25, 2014 in Columbus, Ohio by David Goodman.

Roll Call:	David Goodman, Chair	Present
	David Smith	Absent
	Emmett Kelly	Present
	Rod Crider	Present
	Brian Cooper	Present

Staff Members Present: John Werkman, Daniel Strasser, Stephanie Gostomski, and Eric Lindner

Others present: Matt Cybulski, Andrew Charlton, Matt Deptola, Taylor Stepp, Julie Sullivan, Chris Strayer, Luscious Plant, Ian Smith, Lisa Wagner, Matt McQuade, and Jason Dunkle

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

PROJECTS

Vadata, Inc. appeared before the Tax Credit Authority requesting a tax exemption for a project at a to-be-determined location. Goodman made a motion to approve a tax exemption of 100% for 15 years for Vadata, Inc. in exchange for a commitment to create 120 new full-time equivalent employees generating \$9,625,000 in new annual payroll at the project location at the to-be-determined location. In addition, the company will make a fixed asset investment of \$1,110,000,000 between 9/1/2014 through 8/31/2016. The tax exemption would begin on 8/25/2014 and end on 8/24/2029. Crider seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Vadata, 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 15 years for Vadata, Inc. in exchange for a commitment to create 120 new full-time equivalent employees generating \$9,625,000 in new annual payroll 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 12/31/2029. Cooper seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Eloquii Design, Inc. 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 50% for 7 years for Eloquii Design, Inc. in exchange for a commitment to create 40 new full-time equivalent employees generating \$4,510,000 in new annual payroll and retaining \$740,200 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 1/1/2014 and end on 12/31/2020. Kelly seconded. The vote was 4-0. All present voted yes.

Dole Fresh Vegetables, Inc. and First Diversity Management Group, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Springfield, Clark County. Goodman made a motion to approve a tax credit of 50% for 9 years for Dole Fresh Vegetables, Inc. and First Diversity Management Group, LLC in exchange for a commitment to create 138 new full-time equivalent employees generating \$3,191,573 in new annual payroll and retaining \$17,464,892 in existing payroll at the project location 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 12/31/2023. Crider seconded. The vote was 4-0. All present voted yes.

Faurecia Emissions Control Systems NA, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Franklin, Warren County. Goodman made a motion to approve a tax credit of 55% for 8 years for Faurecia Emissions Control Systems NA, LLC in exchange for a commitment to create 120

new full-time equivalent employees generating \$4,482,400 in new annual payroll and retaining \$15,436,180 in existing payroll at the project location in the City of Franklin, 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 12/31/2022. Cooper seconded; Kelly abstained. The vote was 3-0. All present voted yes.

BioRx, LLC 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 6 years for BioRx, LLC in exchange for a commitment to create 36 new full-time equivalent employees generating \$2,448,000 in new annual payroll and retaining \$6,094,153 in existing 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. Crider seconded; Kelly abstained. The vote was 3-0. All present voted yes.

Standard Technologies, LLC appeared before the Tax Credit Authority requesting a tax credit for a project in Ballville Township, Sandusky County. Goodman made a motion to approve a tax credit of 30% for 5 years for Standard Technologies, LLC in exchange for a commitment to create 39 new full-time equivalent employees generating \$1,755,000 in new annual payroll and retaining \$2,180,146 in existing payroll at the project location in the Ballville Township, Sandusky 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 12/31/2020. Kelly seconded. The vote was 4-0. All present voted yes.

Fosbel, Inc. and Cetek Ltd. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Brook Park, Cuyahoga County. Goodman made a motion to approve a tax credit of 35% for 5 years for Fosbel, Inc. and Cetek Ltd. in exchange for a commitment to create 14 new full-time equivalent employees generating \$934,816 in new annual payroll and retaining \$3,200,000 in existing payroll at the project location in the City of Brook Park, Cuyahoga 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. Cooper seconded. The vote was 4-0. All present voted yes.

Stolle Machinery Co., LLC 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 5 years for Stolle Machinery Co., LLC in exchange for a commitment to create 42 new full-time equivalent employees generating \$2,051,259 in new annual payroll and retaining \$6,125,640 in existing 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 12/31/2019. Crider seconded. The vote was 4-0. All present voted yes.

GOJO Industries, Inc. appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Brecksville, Cuyahoga County. Goodman made a motion to approve a tax credit of 40% for 6 years for GOJO Industries, Inc. in exchange for a commitment to create 37 new full-time equivalent employees generating \$1,661,000 in new annual payroll at the project location in the City of Brecksville, Cuyahoga 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. Cooper seconded. The vote was 4-0. All present voted yes.

OTHER BUSINESS

Ashland, Inc.

The staff recommends that the Authority reduce the rate of the tax credit for failure to retain the required number of jobs 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 October 25, 2010, the grantee was approved for a 60%/10 year non-refundable Job Retention Tax Credit in exchange for a commitment to retain 700 FTEs at the project location. The grantee's 2013 annual report showed 696 retained FTEs, thereby making the grantee noncompliant with the agreement. Based on this information, the staff recommends that the Authority reduce the rate of the

tax credit to 55% for years 2014 - 2020. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2021 - 2023.

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

NewPage Corporation

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, 2008, the grantee was approved for a 65%/10 year tax credit in exchange for a commitment to create 175 new jobs and retain 280 jobs at the project location. According to Section 2 of the Agreement, the grantee was required to achieve a total full-time employment level of 455 by December 31, 2011. The Grantee's 2011 annual report showed 345 eligible full-time employees, thereby making the company noncompliant with the terms of the Agreement. Based on this information, the staff recommends that the Authority reduce the term of the tax credit to 6 years ending 1/1/2014. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2014 - 2019.

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

General Mills Operations, LLC

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's retained job commitment from 1,154 FTEs to 844 FTEs for years 2014-2019. The corresponding retained payroll commitment, term, and cap will remain unchanged. To align with the new commitment, the staff recommends that the Authority reduce the rate of the grantee's 75%/10 year tax credit to 55% for years 2014-2019. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2020-2022.

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

The Timken Company

The staff recommends that the Authority add TimkenSteel Corporation (and associated FEIN) to the tax credit agreement resulting from the corporate split of the company, effective 1/1/2014. Staff also recommends that the Authority reassign the commitments and benefit among the two entities. Timken was originally approved for a 20%/15 year job retention tax credit to retain 3,533 employees, with the yearly benefit capped at \$1,297,550. The rate and term will remain unchanged, but the retention commitment and cap will be assigned as follows:

- (1) Timken Company: 1,131 retained employees, benefit capped at \$415,216;
- (2) TimkenSteel Corporation: 2,402 retained employees, benefit capped at \$882,334.

Additionally, staff recommends that the Authority add the following addresses to the tax credit agreement:

- (1) 1835 Dueber Ave. SW, Canton, OH 44706;
- (2) 4500 Mt. Pleasant St. NW, North canton, OH 44720.

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

NFO Research, Inc.

The staff recommends that the Authority reassign the tax credit from NFO Research, Inc. (and associated FEIN) to TNS US, LLC (and associated FEIN). This change is due to a merger.

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

ECS Tuning, Inc.

The staff recommends that the Authority reassign the tax credit from ESC Tuning, Inc. (and associated FEIN) to ESC Tuning, LLC (and associated FEIN). The grantee has gone through a corporate reorganization.

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

Momentive Specialty Chemicals Inc.

The staff recommends that the Authority reassign the tax credit from Momentive Specialty Chemicals Inc. (and associated FEIN) to Momentive Performance Materials Quartz, Inc. (and associated FEIN).

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

Gwynnie Bee, Inc.

The staff recommends that the Authority add JT/SG Enterprises, Inc. dba SOLUTIONS Staffing to the tax credit agreement. The grantee desires to incorporate a third-party logistics provider into its tax credit agreement. A portion of the new jobs created by the project will be hired through the third-party logistics provider.

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

Ohio National Financial Services, Inc.

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

- (1) Add the project address at 10300 Alliance Rd., Cincinnati, OH 45242;
- (2) Add the grantee, The O.N. Equity Sales Company (and associated FEIN) to the agreement. The O.N. Equity Sales Company is a subsidiary of Ohio National Financial Services, Inc.

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

Homage, LLC

The staff recommends that the Authority add the address, 4480 Bridgeway Ave, Suite A, Columbus, Ohio 43219 to the tax credit agreement. The project address had not been determined at the time of approval.

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

Green Gourmet Foods, LLC

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

- (1) Change the tax credit effective date from 1/1/2012 to 1/1/2014;
- (2) Change the project address from 210 Water St., Baltimore, OH 43105 to 515 N. Main St., Baltimore, OH 43105.

The project has experienced unanticipated production setup delays and funding issues. The new address more accurately describes the project location.

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

Equity Administrative Services, Inc.

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

- (1) Change the tax credit effective date from 1/1/2010 to 1/1/2014;
- (2) Change the baseline income tax revenue to \$276,961.16 for year 1 and \$284,439.11 for year 2.

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

Dynamit Technologies

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

- (1) Change the tax credit effective date from 1/1/2013 to 1/1/2014;
- (2) Change the baseline income tax revenue to \$53,055.61 for year 1 and \$54,222.83 for year 2.

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

S&T Automotive America, LLC

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

- (1) Reduce the created job commitment from 80 to 45 FTEs;
- (2) Reduce created payroll from \$2,200,000 to \$1,237,392;
- (2) Reduce the investment commitment from \$6,500,000 to \$4,000,000 for machinery/equipment costs;
- (3) To align with the new job and investment commitment, the rate of the 50%/6 year tax credit will be reduced to 40%.

These changes are due to revised growth projections by the grantee.

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

Seepex, Inc.

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 38 FTEs to 24 FTEs. The corresponding new payroll commitment will be reduced from \$1,300,000 to \$1,100,000. 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 4-0. All present voted yes.

Explorys, Inc.

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 165 FTEs to 120 FTEs. The corresponding new payroll commitment will be reduced from \$11,300,000 to \$9,000,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 60%/7 year tax credit to 60%/2 years and 55%/5 years (60% for 2012 and 2013, 55% for 2014 - 2018), for a total of 7 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2019-2021.

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

FWT, LLC

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 200 FTEs to 150 FTEs. The corresponding new payroll commitment will be reduced from \$7,072,000 to \$5,500,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 55%/6 year tax credit to 55%/2 years and 50%/4 years (55% for 2012 and 2013, 50% for 2014 - 2017), for a total of 6 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2018-2020.

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

JM Consolidated Industries, 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 30 FTEs. The corresponding new payroll commitment will be reduced from \$1,400,000 to \$1,100,000. 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 40%/4 years (45% for 2012 and 2013, 40% for 2014 - 2017), for a total of 6 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2018-2020.

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

Axiom Product Development LLC

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 20 FTEs. The corresponding new payroll commitment will be reduced from \$2,704,000 to \$1,550,000. 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 40%/4 years (45% for 2012 and 2013, 40% for 2014 - 2017), for a total of 6 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2018-2020.

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

NCRx Optical Solutions, Inc.

The staff recommends that the Authority cancel the tax credit. The company never executed the tax credit agreement and has not received any tax credit certificates.

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

Riverside Computing, Inc.

The staff recommends that the Authority cancel the tax credit. The company never executed the tax credit agreement and has not received any tax credit certificates.

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

The Procter & Gamble Manufacturing Company (ECDD 05-021)

The staff recommends that the Authority cancel the tax credit. The company never executed the tax credit agreement and has not received any tax credit certificates.

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

The Procter & Gamble Manufacturing Company (ECDD TI 2011 0840)

The staff recommends that the Authority cancel the tax credit. The company never executed the tax credit agreement and has not received any tax credit certificates.

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

Rolls-Royce Fuel Cell Systems (US) Inc.

The staff recommends that the Authority cancel the tax credit. The company never executed the tax credit agreement and has not received any tax credit certificates.

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

TimberTech Limited

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 Cooper seconded. The vote was 4-0. All present voted yes.

CoverMyMeds, 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 pending or

unissued tax credit certificates.

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

Closed Loop Refining & Recovery, 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 Cooper seconded. The vote was 4-0. All present voted yes.

General Mills Operations, LLC

Per the company's request, the staff recommends that the Authority terminate the tax credit agreement. The company has agreed to repay DSA \$57,508.50, 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 Cooper seconded. The vote was 4-0. All present voted yes.

Pacer International, 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 Cooper seconded. The vote was 4-0. All present voted yes.

Doppstadt US 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 pending or unissued tax credit certificates.

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

MOTION TO AJOURN

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

The next meeting is scheduled September 29, 2014 at 11:16 a.m. on the 31st Floor.

Chair of Ohio Tax Credit Authority's Signature

