

**OHIO TAX CREDIT AUTHORITY MEETING  
MEETING MINUTES  
MEETING DATE: SEPTEMBER 28, 2015**

The regular meeting of the Ohio Job Creation Tax Credit Authority was called to order at 10:02 a.m. on September 28, 2015 in Columbus, Ohio by David Goodman.

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

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

**Others present:** Matt Deptola, Tammy Riddle, Ian Smith, Jason Dunkle, Brandon Simmons, Lucious Plant, Lisa Wagner, and Scott Mueller

**Minutes Approval:** Goodman made a motion to approve the minutes of the August 31, 2015 meeting. Cooper seconded. The vote was 3-0 yes. Voting Goodman, Cooper, and Smith.

**PROJECTS**

**Big Heart Pet Brands** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Orrville, Wayne County. Goodman made a motion to approve a tax credit of 75% for 14 years for Big Heart Pet Brands in exchange for a commitment to create 400 new full-time equivalent employees generating \$40,000,000 in new annual payroll at the project location in the City of Orrville, Wayne 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 12/31/2030. Smith seconded; Kelly abstained. The vote was 3-0. All present voted yes.

**Navistar, Inc.** 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 60% for 6 years for Navistar, Inc. in exchange for a commitment to create 300 new full-time equivalent employees generating \$10,377,120 in new annual payroll and retaining \$38,049,440 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 1/1/2016 and end on 12/31/2021. Cooper seconded; Kelly abstained. The vote was 3-0. All present voted yes. The motion was subsequently amended to change the term of the tax credit from 1/1/2016 – 12/31/2021 to 1/1/2017 – 12/31/2022. The tax credit would now begin on 1/1/2017 and end on 12/31/2022.

**PFFA Acquisition, LLC** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Cincinnati, Hamilton County. Goodman made a motion to approve a tax credit of 45% for 6 years for PFFA Acquisition, LLC in exchange for a commitment to create 39 new full-time equivalent employees generating \$3,128,795 in new annual payroll and retaining \$295,000 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 1/1/2016 and end on 12/31/2021. Cooper seconded. The vote was 4-0. All present voted yes.

**NuVasive Manufacturing, 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 65% for 7 years for NuVasive Manufacturing, LLC in exchange for a commitment to create 195 new full-time equivalent employees generating \$9,281,557 in new annual payroll and retaining \$5,400,000 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 1/1/2017 and end on 12/31/2023. Smith seconded. The vote was 4-0. All present voted yes.

**CDK Global, 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 75% for 15 years for CDK Global, LLC in exchange for a commitment to create 1,000 new full-time equivalent employees generating \$45,000,000 in new annual payroll and retaining \$3,421,465 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 1/1/2016 and end on 12/31/2030. Kelly seconded. The vote was 4-0. All present voted yes.

**RelaDyne LLC and Four O Corporation** appeared before the Tax Credit Authority requesting a tax credit for a project in the Cities of Springdale and Blue Ash, Hamilton County. Goodman made a motion to approve a tax credit of 45% for 6 years for RelaDyne LLC and Four O Corporation in exchange for a commitment to create 30 new full-time equivalent employees generating \$2,160,000 in new annual payroll and retaining \$8,965,931 in existing payroll at the project location in the Cities of Springdale and Blue Ash, 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 1/1/2016 and end on 12/31/2021. Kelly seconded. The vote was 4-0. All present voted yes.

**Tech Mahindra (Americas) Inc.** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Blue Ash, Hamilton County. Goodman made a motion to approve a tax credit of 50% for 7 years for Tech Mahindra (Americas) Inc. in exchange for a commitment to create 50 new full-time equivalent employees generating \$3,250,000 in new annual payroll and retaining \$2,649,416 in existing payroll at the project location in the City of Blue Ash, 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 1/1/2016 and end on 12/31/2022. Smith seconded. The vote was 4-0. All present voted yes.

**A.J.M. Packaging Corporation** appeared before the Tax Credit Authority requesting a tax credit for a project in the City of Bellevue, Sandusky County. Goodman made a motion to approve a tax credit of 55% for 8 years for A.J.M. Packaging Corporation in exchange for a commitment to create 150 new full-time equivalent employees generating \$4,486,560 in new annual payroll at the project location in the City of Bellevue, 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 12/31/2023. Kelly seconded. The vote was 4-0. All present voted yes.

## **OTHER BUSINESS**

### **LuK USA LLC (City of Wooster/ Wayne County)**

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

- (1) Extend the term of the 45%/6 year JCTC by 2 years, for a total of 8 years ending 12/31/2021;
- (2) Increase the new job commitment from 95 to 554 FTEs;
- (3) Increase the created payroll commitment from \$2,865,200 to \$16,806,650.

LuK USA will have a total employment level at the project location of 1,684 FTEs with an associated payroll of \$76,606,650 by 12/31/2019. If these commitments are not met by 12/31/2019, the JCTC - Extension will be cancelled. The JCTC baseline set in 2013 at 1,130 retained jobs will remain.

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

### **The E.W.Scripps Company (City of Cincinnati/ Hamilton County)**

The staff recommends that the Authority reduce the rate of the tax credit for failure to meet the payroll commitments 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 6/25/2012, the grantee was approved for a 60%/3 and 55%/3 year tax credit in exchange for a commitment to create 100 FTEs with \$11,300,000 in new payroll and retain 164 FTEs with \$41,434,088 in existing payroll at the project location. The grantee's 2014 annual report showed \$45,882,271 in total 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 50% for years 2015 -

2017. 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 Smith seconded; Kelly abstained. The vote was 3-0. All present voted yes.

**Avnet, Inc. (Village of Obetz/ Franklin County)**

The staff recommends that the Authority change the start date from 1/1/14 to 1/1/15 and the metric evaluation date from 12/31/2016 to 12/31/2017 as the company has been experiencing construction delays with the project.

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

**Menlo Logistics Inc. (Etna Township/ Licking County)**

The staff recommends that the Authority change the retained payroll commitment from \$714,000 to \$723,282 with associated retained withholdings of \$20,879. The change is being requested because the information originally reported in the application was not accurate due to payroll errors.

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

**The Kroger Co. (City of Columbus/ Franklin County)**

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

- (1) Change the retained payroll commitment from \$4,456,438 to \$3,540,453;
- (2) Change the retained job commitment from 103 to 105 FTEs;
- (3) Change the retained withholdings from \$162,480 to \$123,040;
- (4) Change the tax credit effective date from 1/1/2014 to 1/1/2015

The change is being requested because the information originally reported in the application was not accurate due to payroll errors and the expansion project has experienced delays.

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

**Advanced Ground Systems Engineering, LLC (City of Monroe/ Butler County)**

The staff recommends that the Authority add the project location at 441 Breaden Dr., Monroe, OH 45050 to the tax credit agreement. The project location had previously been approved as TBD. The staff also recommends that the building investment be increased from \$130,000 to \$600,000, which will change the total fixed asset investment from \$280,000 to \$750,000.

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

**Aptalis Pharmatech, Inc. (City of Vandalia/ Montgomery County)**

The staff recommends that the Authority change the name of the grantee on the tax credit from Aptalis Pharmatech, Inc. to Adare Pharmaceuticals, Inc. The FEIN remains the same.

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

**Union Tank Car Company (City of Marion/ Marion County)**

The staff recommends that the Authority change the tax credit effective date from 1/1/2015 to 1/1/2016. The metric evaluation date will remain 12/31/2017.

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

**HD Supply Facilities Maintenance Ltd. (City of Groveport/ Franklin County)**

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 111 FTEs to 90 FTEs. The new payroll commitment will also be reduced from \$5,200,000 to \$2,050,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 40%/6 year tax credit to 40%/3 years and 35%/3 years (40% for 2013 – 2015 and 35% for 2016 - 2018), for a total of 6 years. Post-term reporting requirements may be fulfilled by filing annual progress reports with DSA for years 2019 - 2021.

The staff also recommends that the original retained withholdings be reduced to \$25,048, which will change the year 1 BITR to \$15,780.24 and year 2 BITR to \$26,162.24.

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

**Metal-Matic, Inc. (City of Middletown/ Butler County)**

With the company's written consent, the staff recommends that the Authority approve the reduction of the grantee's new job commitment from 80 FTEs to 50 FTEs. The new payroll commitment will also be reduced from \$2,900,000 to \$2,000,000. To align with the new commitment, the staff recommends that the Authority reduce the grantee's 55%/7 year tax credit to 55%/2 years and 40%/5 years (55% for 2013 – 2014 and 40% for 2015 - 2019), for a total of 7 years. 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 Kelly seconded. The vote was 4-0. All present voted yes.

**Epipheo, Inc. (City of Cincinnati/ Hamilton County)**

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.

**Royal Appliance Mfg. Co. (Village of Glenwillow/ Cuyahoga County)**

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.

**Synapse Biomedical, Inc. (City of Oberlin/ Lorain County)**

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.

**GOWEBAPPS.COM, Inc. (Orange Township/ Orange Township)**

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

**Intermountain Electronics, Inc. of Price, Utah (Village of South Point/ Lawrence County)**

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

**Ashlawn Energy, LLC (City of Painesville/ Lake County)**

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

**Intelligent Decisions (City of Dayton/ Montgomery County)**

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

**Precision Quincy Shelters, Inc. (City Mason/ Warren County)**

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

**Siemens Medical Solutions USA, Inc. (City of Cleveland/ Cuyahoga County)**

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

**Jeyes US Holdings Inc. (City of New Albany/ Licking County)**

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

**MOTION TO AJOURN**

The meeting was adjourned at 11:04 pm by David Goodman.

The next meeting is scheduled October 26, 2015 at 10:00 a.m. on the 31<sup>st</sup> Floor.

Chair of Ohio Tax Credit Authority's Signature

