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**2015 Report to the General Assembly:
Compliance with State Awards
for Economic Development**

*Submitted to the Ohio General Assembly Pursuant to
Section 125.112(G) of the Ohio Revised Code*



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Honorable Members of the General Assembly:

As directed by the 127th General Assembly through a measure enacted in December 2008 and amended by the 131st General Assembly in September 2015, the Ohio Attorney General's Office is charged with reporting on the compliance of economic development award recipients with awards given by the Ohio Development Services Agency.

While the state encourages growth in business, capital investments, and workforce retention and enhancement through incentives and training, it is imperative that these taxpayer dollars are used wisely.

The enclosed report details whether economic development award recipients have met the terms and conditions, including any applicable performance metrics, of the awards that were issued by the Ohio Development Services Agency for terms ending in the 2014 closeout year.

Very respectfully yours,

Mike DeWine
Ohio Attorney General

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DEFINITIONS

“Award agreement” means an executed agreement between the Ohio Development Services Agency (ODSA) and the Award Recipient containing the terms and conditions, including performance metrics, upon which the state award for economic development is based.

“Award Recipients or Recipients” means for profit or non-profit businesses, political subdivisions, governmental entities, or other entities that received a state award for economic development administered by ODSA and entered into an award agreement.

“Clawback” means a remedial action taken by ODSA to seek reimbursement from the Award Recipient for all or a portion of the award funds pursuant to the terms of the award agreement.

“Closeout year,” as defined in Revised Code 125.112(G), “means the calendar year by which an entity that receives a state award for economic development must comply with a performance metric specified in the terms and conditions of the award.”

“Closeout report” means the final annual report submitted to ODSA in the closeout year by an Award Recipient.

Compliance:

Workforce compliance is based on the worker training commitment set forth in the award agreement(s).

Grant compliance is based on the job creation and retention commitments set forth in the award agreement(s).

Roadwork Development Grant compliance is based on completion of the eligible roadwork project set forth in the award agreement(s).

Tax Credit compliance is based on the job creation, job retention, new payroll, and minimum hourly wage commitments set forth in the award agreement(s).

Loan compliance is based on the job creation and job retention commitments set forth in the award agreement(s).

“Disencumber” means the release of funds previously set aside or encumbered for an Award Recipient.

“Expiration date” means the date by which the performance metrics in the award agreements must be met.

“Market conditions” is a term that is defined in most of the award agreements issued by ODSA. An example definition is the following: “For the purposes of this Agreement, ‘Market Conditions’ shall be determined by the Director of Development, with information and advice from the Federal Reserve Bank of Cleveland. The Director of Development shall consider the following: (i) Two consecutive quarters of decline in manufacturing employment in the State of Ohio as a whole or,

when possible, by relevant manufacturing sector. Employment figures will be those reported by the Ohio Department of Job and Family Services. (ii) A decline, as a whole or by relevant sector, in twelve (12) of the last thirty-six (36) months as detailed in the Federal Reserve Bank's national industrial production index. (iii) The performance of the relevant sector as reported in Standard & Poor's 'Industry Surveys' or the 'U.S. Industry & Trade Outlook.'"

"Performance metrics" means the commitments for training workers, job creation, job retention, minimum hourly wage, capital investment, and other commitments set forth in the award agreements.

"Performance period" means the time frame set forth in the award agreement within which an Award Recipient must comply with its performance metrics.

"Remedial action" refers to the process for bringing Award Recipients into compliance with commitments made to the state in exchange for taxpayer incentives.

"State award," as defined in Revised Code 125.112(A)(3)(a), "means a contract awarded by the state costing over twenty-five thousand dollars."

"State award for economic development," as defined in Revised Code 125.112(G), "means state financial assistance and expenditure in any of the following forms: grants, subgrants, loans, awards, cooperative agreements, or other similar and related forms of financial assistance and contracts, subcontracts, purchase orders, task orders, delivery orders, or other similar and related transactions."

"Substantially compliant" means attainment of 90% of the performance metrics set forth in an award agreement, using the compliance definitions above.

"Trigger date" means the date that an Award Recipient begins working toward achieving the performance metrics set forth in the award agreement. The trigger date is used to calculate the expiration date and the closeout year.

EXECUTIVE SUMMARY

Pursuant to Section 125.112(G) of the Ohio Revised Code, a statute enacted by the 127th General Assembly as part of Am. Sub. H.B. 420 and amended by the 131st General Assembly, the Ohio Attorney General's office (AGO) conducted a two-phase review of state awards for economic development having a 2014 closeout year. The review was performed to determine the level of compliance of Award Recipients with the terms and conditions, including certain performance metrics, of state awards for economic development administered by the Ohio Development Services Agency (ODSA).

ODSA offers economic development incentives through a variety of programs, but the state awards for economic development reviewed here fall into four main categories: Workforce awards; Grants; Tax Credits; and Loans. In a typical award agreement, a Recipient receiving an award must pledge to achieve some combination of specified performance metrics by the end of a specified performance period. These metrics include creating or retaining jobs, training workers, and/or maintaining a certain employee hourly wage. Pursuant to the award agreement, a Recipient must file annual reports informing ODSA of its progress in meeting the performance metrics set forth in their award agreement, and must also file a final closeout report with ODSA at the end of its performance period.

Phase one of the review was an information-gathering phase in which the AGO requested, and received files from ODSA for all state awards for economic development with a performance period ending in calendar year 2014. These files typically included the award agreement and any amendments, documentation of disbursement of funds or receipt of tax credits, documentation of any disencumbered award funds, and the 2014 closeout report if filed by the Award Recipient. ODSA identified 359 awards as having performance periods ending in calendar year 2014. ODSA and the AGO then determined 18 award files did not have a 2014 closeout.¹ The AGO received 341 in-scope award files from ODSA and an additional eight (8) award files with performance periods ending prior to calendar year 2014.

In phase two of the review, the AGO conducted its compliance review of the award files received. The AGO examined the award files to determine the level of compliance of Award Recipients with the terms and conditions of their economic development award agreements. All non-compliant results were double-checked, and then shared with ODSA. The AGO also requested the results of ODSA's compliance determination for each award and what remedial action, if any, has been taken with respect to non-compliant Recipients.

Of the 341 in-scope award files, recipients receiving 269 awards substantially complied (met at least 90% of the commitments) with the terms and conditions of their award agreements, while Recipients receiving 72 awards did not comply. This represents an overall compliance rate of 78.9%. The following is a breakdown of the compliance rates for each award category and the specific award programs within those categories.²

¹ See further discussion on page 8.

² See Appendix 1 for previous years' compliance rates.

Compliance Rates

Overall Compliance Rate	78.9%	(269/341)
• Workforce Compliance Rate³	100%	(43/43)
○ WTG Workforce Training	100%	(23/23)
○ Ohio Investment in Training	100%	(1/1)
○ Ohio Workforce Guarantee	100%	(19/19)
• Grant Compliance Rate	76.3%	(58/76)
○ Rapid Outreach	65%	(26/40)
○ Roadwork Development	92%	(23/25)
○ Economic Development Contingency	81.8%	(9/11)
• Tax Credit Compliance Rate	73.4%	(116/158)
○ Job Creation Tax Credit	71.8%	(107/149)
○ Job Retention Tax Credit ⁴	100%	(9/9)
• Loan Compliance Rate	81.3%	(52/64)
○ 166 Direct	76.9%	(10/13)
○ Regional 166 Direct	92.6%	(25/27)
○ Research & Development Investment	100%	(2/2)
○ Innovation Ohio Loan	55.6%	(5/9)
○ Ohio Enterprise Bond Fund	83.3%	(5/6)
○ Minority Business Direct Fund	33.3%	(1/3)
○ Logistics & Distribution	100%	(4/4)

³ The Workforce compliance rate includes two (2) Recipients who trained fewer workers than promised and were therefore reimbursed proportionally to the number of workers trained.

⁴ Job Retention Tax Credits do not have a closeout year for performance commitments. See note 11 on page 8.

BACKGROUND

In December 2008, the 127th General Assembly enacted Section 125.112 of the Revised Code as part of Am. Sub. H.B. 420. The purpose of this statute was to “establish ... a new regime for providing information to the public regarding state awards and grants made to any entity by an agency of the state.”⁵ With respect to state awards for economic development, R.C. 125.112(G) requires the Ohio Attorney General to: (1) determine the compliance of recipients with the terms and conditions, including performance metrics, if any, of the awards they receive at the end of the closeout year; and (2) report annually to the General Assembly regarding the level of compliance of such recipients with the terms and conditions of their award agreements.⁶ When determined to be appropriate and to the extent that a recipient of a state award for economic development does not comply with a performance metric that is specified in the terms and conditions of the award agreement, the statute gives the Attorney General the authority to pursue such remedies and recoveries against and from that recipient as are available by law.⁷

State awards for economic development are awarded and administered by ODSA. Each year, ODSA offers economic development incentives to Ohio entities for the purposes of expanding commerce in the state, attracting new businesses to Ohio, retaining existing jobs, and training workers with new skills.

Every award agreement designates a date when the Recipient is obligated to begin working toward the performance metrics set forth in the agreement and a time frame for when the performance metrics are expected to be met. Most award agreements require the submission of a final closeout report within a certain number of days after the expiration date. Therefore, some Recipients with an expiration date late in the calendar year have until the beginning of the following calendar year to submit their final closeout reports.

This AGO report focuses on Recipients that received awards with a 2014 closeout year as determined by the award agreement. In order to make a compliance determination, the AGO compared the Award Recipients’ commitments for job creation, job retention, payroll, and workforce training with the actual results documented in the closeout reports submitted by most Recipients. Failure to submit a closeout report resulted in a non-compliance determination.

It should be noted that most award agreements allow the Director of ODSA to consider “market conditions” when making a determination as to whether or not to seek reimbursement of grant or loan funds from the Award Recipient upon its failure to meet the performance metrics set forth in the award agreement. This language typically reads as follows: “If Grantee fails to create and/or retain...the total estimated full-time jobs as stated in this Agreement or fails to maintain the above-referenced employment levels during the Term of the Agreement, for reasons other than Market Conditions, as defined in this Agreement, Grantor may require Grantee to reimburse Grantor....” The “market conditions” to be considered pursuant to the award agreements include

⁵ Legislative Service Commission, *Final Analysis: Am. Sub. H.B. 420, 127th General Assembly, As Passed by the General Assembly* (2008), pg. 10, available at <http://www.lsc.state.oh.us/analyses127/08-hb420-127.pdf> (accessed Dec. 6, 2013).

⁶ R.C. 125.112(G) was amended by the 131st General Assembly in 2015. Prior language required the Attorney General to “monitor” the compliance of recipients with the terms and conditions, including performance metrics, if any, of the awards they receive.

⁷ R.C. 125.112(G).

items such as employment figures as reported by the Ohio Department of Job and Family Services and any decline in a relevant economic sector as set forth by the Federal Reserve Bank.

State awards for economic development issued by ODSA fall into four main categories: Workforce Awards; Grants; Tax Credits; and Loans. Set forth below are brief descriptions of each award type, the performance metrics found in the award agreements, how the closeout year is calculated, how compliance is determined, and possible remedial actions in the event of non-compliance with the performance metrics.

Workforce Awards: Generally, a Workforce award provides a Recipient with a grant to offset the cost of training its workers in a new skill in exchange for its promise to train a specified number of workers within a designated period of time, usually between one and two years. Recipients of Workforce awards, in addition to training a specified number of existing workers, usually pledge to create or retain the number of jobs set forth in the agreement, and must submit a final closeout report to ODSA within 45 days (in most cases) after the training completion date set forth in the award agreement. Some agreements contain other performance metrics such as a capital investment commitment, a minimum hourly wage commitment, and a requirement to maintain operations for a set period of time. As a matter of practice, ODSA monitors these additional metrics but does not use them for the purpose of determining substantial compliance. If a Recipient fails to meet its obligations under the award agreement, ODSA may, among other remedial actions, reduce the rate at which it will reimburse the Recipient for its training expenses. The AGO determined compliance based on the number of workers trained, which is consistent with ODSA practices.

Grants: A typical Grant award helps a Recipient offset the cost of undertaking an eligible project for business expansion, infrastructure improvements and/or equipment and machinery purchases in exchange for its promises to create and/or retain a specified number of jobs within three years after the date of project completion, and submit annual progress reports plus a final closeout report to ODSA. The project completion date is defined in the agreement. Grant funds are typically given as reimbursement for approved project expenditures after ODSA receives evidence of those expenditures from the Award Recipient. The final disbursement of funds is therefore likely to be proximate in time to the actual project completion date. In addition to the job creation and retention commitments, some Grant award agreements contain other performance metrics such as capital investment, minimum hourly wage, and maintenance of operations commitments. ODSA monitors these additional metrics but does not use them for the purpose of determining substantial compliance. Job retention and/or creation are secondary goals of the Roadwork Development Grants and are not used to determine compliance. If a Recipient fails to meet its obligations set forth in the award agreement, ODSA may, among other remedial actions, attempt to “clawback” funds previously disbursed. For purposes of this report, the AGO calculated expiration dates and the corresponding closeout year, as well as determined compliance based on job creation and job retention commitments, consistent with ODSA practices. The AGO determined compliance for Roadwork Development Grants based on completion of the eligible roadwork project, consistent with the terms of the award agreement and ODSA practices.

Tax Credits: Typically, a Tax Credit award from the Ohio Tax Credit Authority (TCA) enables a Recipient that is acquiring a facility, upgrading a facility, or expanding its business to claim a credit against state tax liability in exchange for its promises to: (1) create and/or retain jobs within three years of the date the new or upgraded facility begins operating (“initial operations date”) or within three years of the tax credit effective date, depending on when the TCA approved the tax credit; (2)

generate new payroll within three years of the initial operations date; (3) maintain \$660,000 of new payroll throughout the term of the agreement; (4) pay its employees a minimum hourly wage of at least 150 percent of the federal minimum wage; (5) create at least 10 jobs throughout the term of the agreement (which extends beyond the performance period for purposes of this review); and (6) maintain operations for the greater of seven years or the term of the tax credit agreement plus three years.⁸ Recipients must also submit annual progress reports to ODSA. The closeout year is determined using the initial operations date or the tax credit effective date, depending on when the Tax Credit award was approved.⁹ Tax Credit awards usually have rates for approved projects between 35 and 55 percent for a period of five to seven years. If a Tax Credit Recipient fails to meet its obligations set forth in the award agreement, ODSA may recommend that the TCA terminate the award agreement, reduce the number of years for which the Recipient may claim the credit (reduce the term), or reduce the proportional amount a Recipient may claim as a credit in its tax filings (reduce the rate), among other recommendations. ODSA may consider market conditions when making this recommendation. The final decision for remedial action lies with the TCA. For purposes of this report, the AGO determined compliance based on job creation, job retention, payroll, and minimum hourly wage commitments, consistent with ODSA practices.¹⁰

Loans: Typical Loans awarded by ODSA provide Recipients with low-interest loans to help finance an eligible project, such as land and building acquisition, expansion, renovation, or equipment purchases, in exchange for the promise to create and/or retain jobs within three years of a trigger date. These Loan awards finance a certain percentage, set forth in the Loan agreement, of allowable project costs with loan amounts ranging from less than \$100,000 to \$10,000,000 for Recipients willing to commit to creating or preserving jobs in Ohio. The interest rate is fixed (at or below market rates) with terms similar to those of commercial financing. The trigger dates vary among Loan agreements and can be the Loan closing date, the first application date for assistance, the disbursement date, or the project completion date as certified by the Recipient. The Loan closing, first application and disbursement dates are readily available to use in calculating the closeout year. In the instances where the project completion date was not certified by the Award Recipient, ODSA generally uses the final disbursement date as the trigger date to determine the closeout year of the award. In addition to job creation and retention commitments, some Loan agreements contain other performance metrics such as capital investment, minimum hourly wage, and maintenance of operations commitments. ODSA monitors these additional metrics but does not use them for the purpose of determining substantial compliance. Loan repayments must be current in order for ODSA to determine a project compliant. Recipients must also submit annual progress reports and a final closeout report to ODSA. If a Recipient fails to meet its obligations under the Loan agreement, ODSA may increase the interest rate on the outstanding balance of the loan. The AGO determined compliance based on job creation and job retention commitments, consistent with

⁸ The Job Creation Tax Credit law was amended to a payroll-based program in October 2009. Tax Credit award agreements approved under the old law did not require payroll commitments. Also, under the old law, award agreements included commitments to retain at least 25 employees throughout the term of the agreement and maintain operations at its facility for twice the term of the agreement.

⁹ For agreements approved prior to October 2009 the closeout year is determined using the initial operations date, which is listed in the annual progress reports. The closeout year for agreements approved after October 2009 is determined using the tax credit effective date, which is listed in the agreements.

¹⁰ Only Tax Credit award agreements that include the new payroll requirement described in notes 8 and 9 above are reviewed by ODSA and the AGO for payroll performance.

ODSA practices. The AGO did not determine compliance based on payment status of the loans; however, that information is contained herein in Appendix 5.

COMPLIANCE REVIEW METHODOLOGY

With a view toward maintaining the goals of the previous reports (accuracy, efficiency, and repeatability), and also accomplishing the additional goals of continuing to improve the process of the review and ensuring the AGO is complying with its duties under R.C. 125.112(G), the AGO used a two-phase method for determining Recipient compliance for this year's review. In addition, ODSA continues to implement internal improvements to its monitoring and record keeping processes, as described in Appendix 2.

Phase One: Data and Information Collection

The first phase of the review was an information-gathering phase in which the AGO requested, and received, files from ODSA for all state awards for economic development with a performance period ending in calendar year 2014. ODSA identified 359 awards as having performance periods ending in calendar year 2014.¹¹ ODSA and the AGO then determined that 18 award files did not have a 2014 closeout. Of these 18 award files, seven (7) awards were found to have a performance period ending after calendar year 2014 and therefore were not included in the compliance numbers. One (1) award was for an asset purchase and sale agreement and did not contain a provision for job commitments and therefore was not reviewed or included in the compliance numbers. The remaining ten (10) awards had performance periods ending prior to calendar year 2014. Two (2) of these pre-2014 closeout awards were previously reviewed during the 2012 and 2013 AGO reviews. The other eight (8) pre-2014 closeout award files were not provided to the AGO during prior reviews and were not included in prior reports. ODSA and the AGO agreed that the AGO would review these award files but include the results separate from the awards with performance periods ending in calendar year 2014.

Phase Two: Compliance Evaluation

In the second phase of the review, the AGO conducted a detailed compliance review of the 341 in-scope award files and eight (8) pre-2014 closeout award files received from ODSA to determine the level of compliance of Award Recipients with the terms and conditions of their award agreements. The award files provided by ODSA typically included the award agreement and any amendments, documentation of disbursement of funds or receipt of tax credits, documentation of any disencumbered award funds, and the 2014 closeout report¹² if filed by the Award Recipient.

This compliance review took place over an eight-month period and also involved discussions with ODSA to answer any questions the reviewer had or provide any missing documentation needed for the reviews. All non-compliant results were double-checked, and then shared with ODSA. The

¹¹ Job Retention Tax Credits do not have a closeout year for performance commitments. Award Recipients must meet their performance commitments every year to remain eligible for the tax credit. For purposes of this report, all Job Retention Tax Credit Award Recipients are considered to have a closeout year every year they are eligible to receive the tax credit and will be reviewed annually.

¹² The AGO's compliance determination for the award files with closeout years before 2014 were based on the annual report provided for each award. Four award files with closeout years before 2014 included annual reports for a year different from the closeout year.

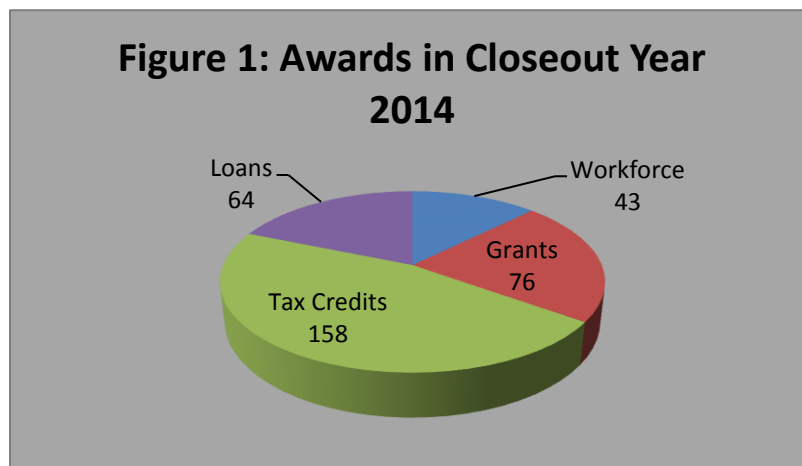
AGO also requested the results of ODSA’s compliance determination for each award and what remedial action, if any, has been taken with respect to non-compliant Recipients. The results of the compliance review are set forth in this report.

KEY FINDINGS

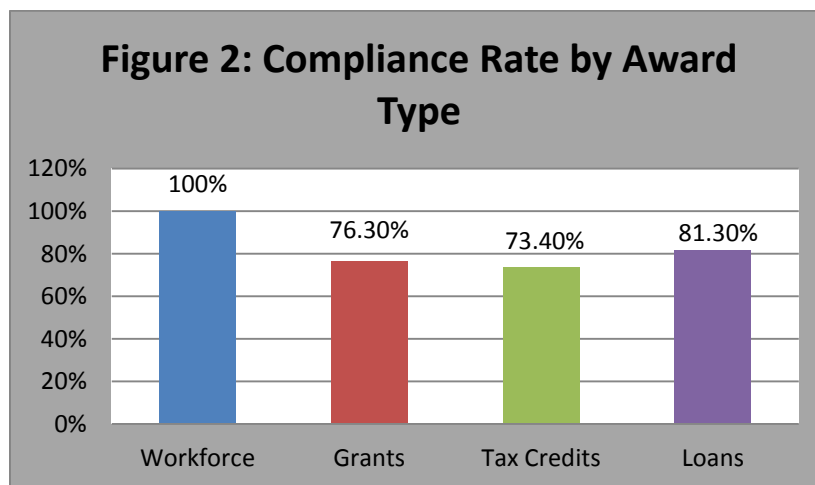
All Awards

The AGO reviewed 341 in-scope economic development awards. The AGO determined that Recipients receiving 269 awards had substantially complied with the terms and conditions of their award agreements, whereas Recipients receiving 72 awards did not comply, representing an overall compliance rate of **78.9%**. This percentage represents “the level of compliance of such entities with the terms and conditions, including any performance metrics, of their state awards for economic development,” pursuant to R.C. 125.112(G).

- Figure 1 details the number of 2014 closeout awards by award type:



- Figure 2 details the compliance rate by award type:

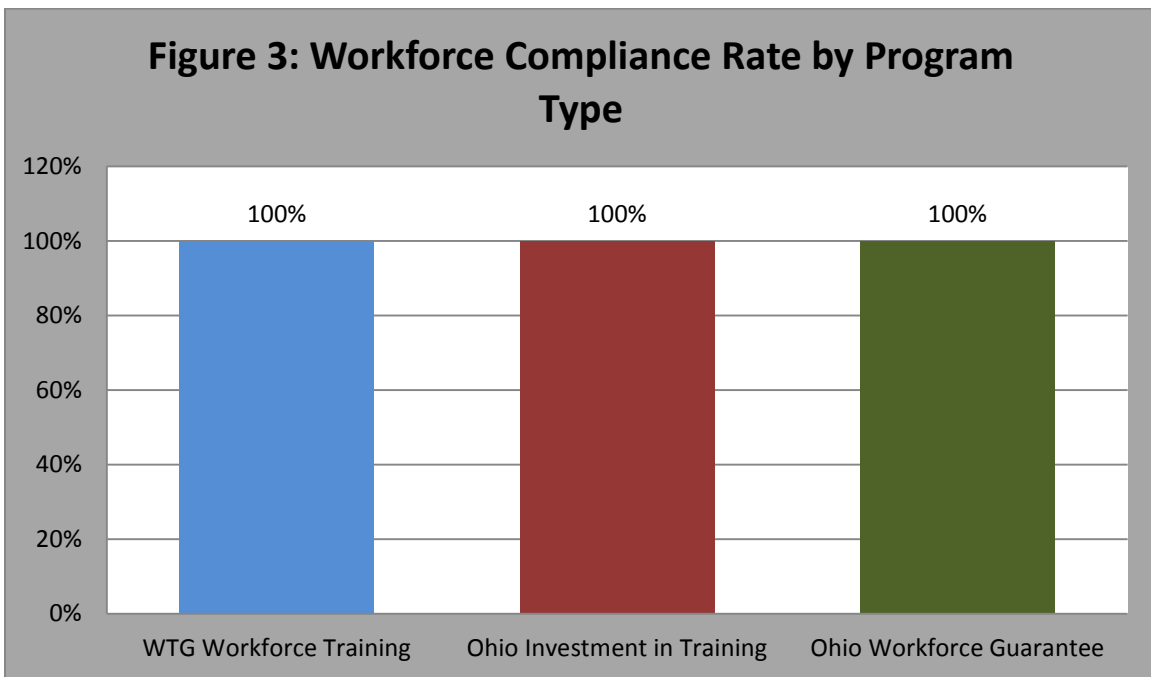


Workforce Awards

Among all active awards administered by ODSA, 43 Workforce awards, with a total combined value of over \$5 million, had a closeout year of 2014. The AGO determined that all of the Workforce Award Recipients had substantially complied with the terms and conditions of their award agreements, representing an overall Workforce award compliance rate of **100%**.

Two Recipients trained fewer workers than promised and were only reimbursed proportionately based on the actual number of workers trained. These Recipients are included in the compliant numbers.

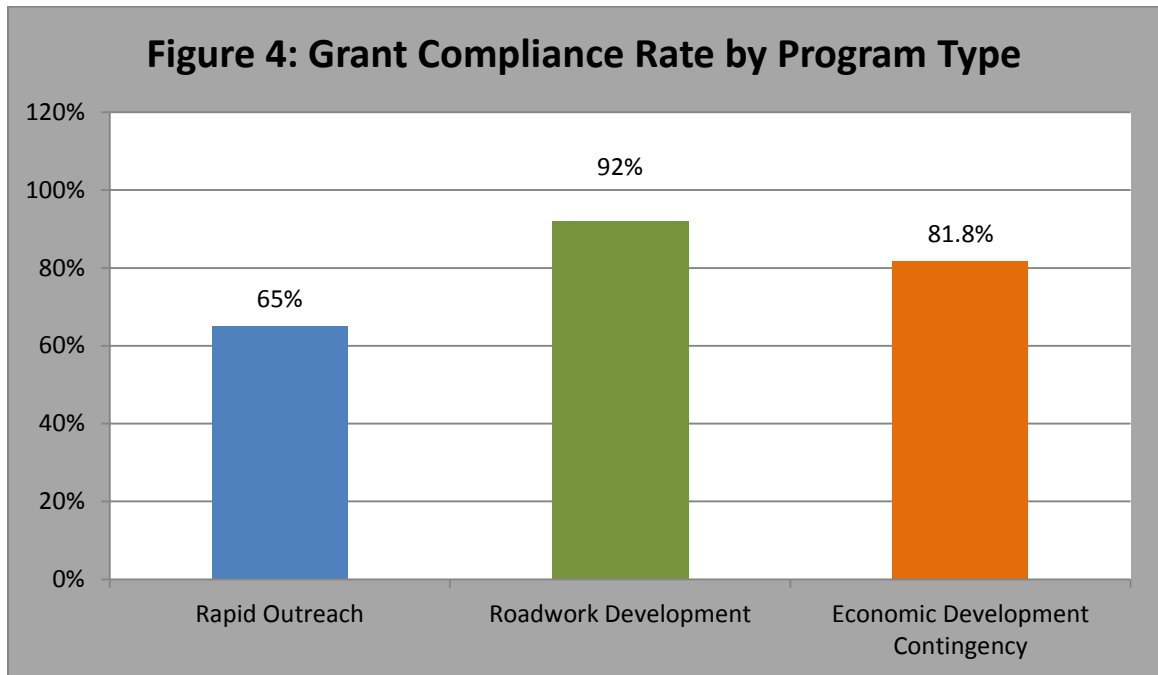
- Figure 3 details the compliance rate of 2014 closeout Workforce awards by program type:



Grant Awards

ODSA awarded 76 Grants with a closeout year of 2014, having a total combined value of over \$23 million. The AGO determined that 58 of the Grant Award Recipients had substantially complied with the terms and conditions of their award agreements, and 18 Award Recipients did not comply, representing an overall Grant compliance rate of **76.3%**.

- Figure 4 details the compliance rate of 2014 closeout Grant awards by program type:



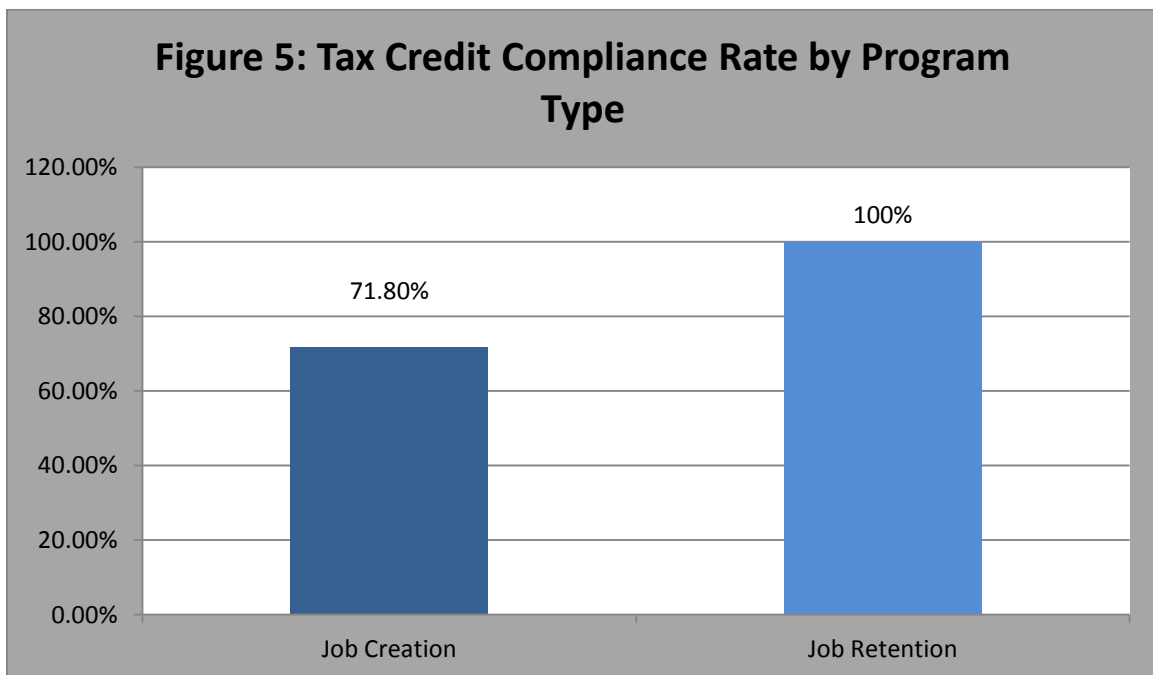
A list of Recipients that did not comply with the terms and conditions, including certain performance metrics, of their Grant award agreements, as well as the reasons for non-compliance and any remedial actions being taken by ODSA, are attached as Appendix 3.

Tax Credit Awards

ODSA maintained 158 Tax Credit awards with a total initial claimed value of over \$53 million that had a closeout year of 2014. The AGO determined that 116 of the Tax Credit Award Recipients had substantially complied with the terms and conditions of their award agreements, and 42 Award Recipients did not comply, resulting in an overall Tax Credit award compliance rate of **73.4%**.

Additionally, ODSA provided one Tax Credit award file that had a 2013 closeout year. This Recipient is not included in the 2014 compliance numbers; however, the AGO would have determined this Award Recipient to be non-compliant. *See Appendix 4.*

- Figure 5 details the compliance rate of 2014 closeout Tax Credit awards by program type:



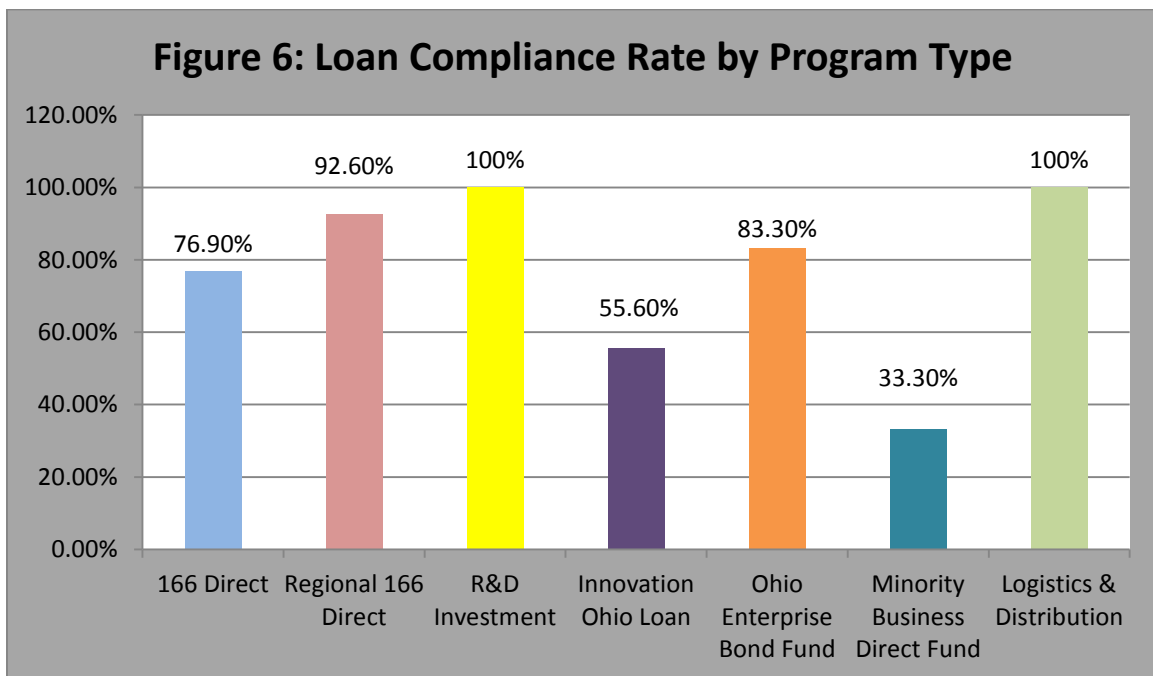
A list of Recipients that did not comply with the terms and conditions, including certain performance metrics, of their Tax Credit award agreements, as well as the reasons for non-compliance and any remedial actions being taken by ODSA, are attached as Appendix 4.

Loan Awards

ODSA awarded 64 Loans with a total combined value of over \$86 million that had closeout years in 2014. The AGO determined that 52 of the Loan Recipients had substantially complied with the terms and conditions of their award agreements, specifically the job creation and job retention commitments, and 12 Loan Recipients did not comply, representing an overall Loan compliance rate of **81.3%**.

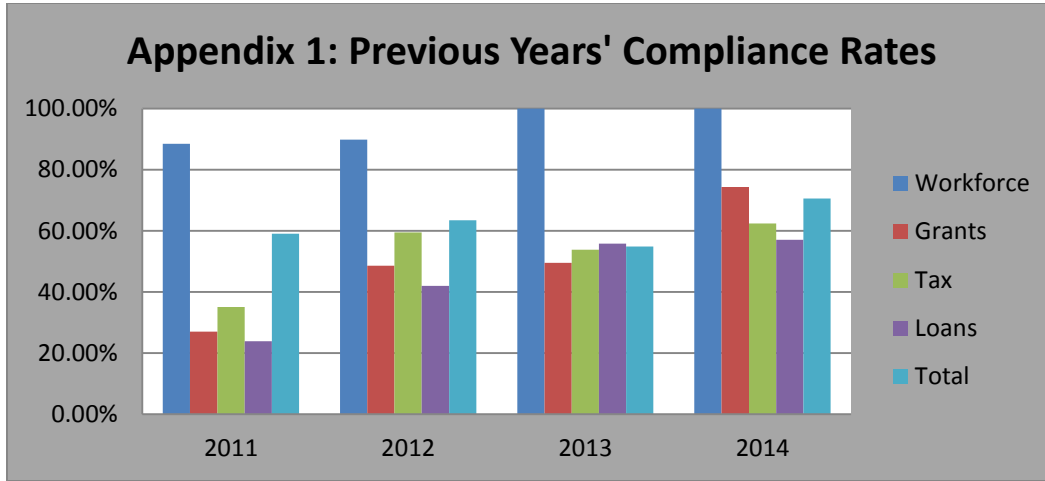
Additionally, ODSA provided seven award files for Loans that had performance periods ending before 2014. Based on the documentation provided for each award file, two Loan Recipients would have been determined to be non-compliant during the appropriate closeout year. *See Appendix 5.*

- Figure 6 details the compliance rate of 2014 closeout Loan awards by program type:



A list of Recipients that did not comply with the terms and conditions, including certain performance metrics, of their Loan award agreements, as well as the reasons for non-compliance and any remedial actions being taken by ODSA, are attached as Appendix 5.

Appendix 1: Previous Years' Compliance Rates



2014 Report Compliance Rates

Overall Compliance Rate	70.6%	(180/255)
• Workforce Compliance Rate¹³	100%	(49/49)
○ Appalachian Training Investment	100%	(8/8)
○ Legacy-Ohio Workforce Guarantee	100%	(1/1)
○ Ohio Workforce Guarantee	100%	(40/40)
• Grant Compliance Rate	74.4%	(29/39)
○ Rapid Outreach	52.6%	(10/19)
○ Roadwork Development	100%	(15/15)
○ Economic Development Contingency	80%	(4/5)
• Tax Credit Compliance Rate	62.4%	(78/125)
○ Job Creation Tax Credit ¹⁴	59.8%	(70/117)
○ Job Retention Tax Credit ¹⁵	100%	(8/8)
• Loan Compliance Rate	57.1%	(24/42)
○ 166 Direct	81.8%	(9/11)
○ Regional 166 Direct	62.5%	(5/8)
○ Research & Development Investment	50%	(1/2)
○ Innovation Ohio Loan	20%	(3/15)
○ Ohio Enterprise Bond Fund	100%	(6/6)

¹³ The Workforce compliance rate includes eleven (11) Recipients that trained fewer workers than promised and were therefore reimbursed proportionally to the number of workers trained.

¹⁴ The Job Creation Tax Credit compliance rate includes four Recipients that met the jobs creation and retention commitments but did not meet the annual payroll commitments in the agreements. As a result, the tax credit incentives were adjusted proportionally by ODSA with the approval of the Tax Credit Authority.

¹⁵ Job Retention Tax Credits do not have a closeout year for performance commitments.

2013 Report Compliance Rates

Overall Compliance Rate	54.9%	(146/266)
<ul style="list-style-type: none"> • Workforce Compliance Rate¹⁶ <ul style="list-style-type: none"> ○ Appalachian Training Investment ○ Ohio Workforce Guarantee • Grant Compliance Rate <ul style="list-style-type: none"> ○ Rapid Outreach ○ Roadwork Development ○ Economic Development Contingency • Tax Credit Compliance Rate <ul style="list-style-type: none"> ○ Job Creation Tax Credit ○ Job Retention Tax Credit¹⁷ • Loan Compliance Rate¹⁸ <ul style="list-style-type: none"> ○ 166 Direct ○ Regional 166 Direct ○ Research & Development Investment ○ Innovation Ohio Loan ○ Pioneer Rural Loan ○ Other/Combination 	<ul style="list-style-type: none"> 100% 100% 100% 49.5% 50% 46.4% 55.6% 53.8% 52.9% 100% 55.8% 27.2% 80% 50% 16.7% 0% 100% 	<ul style="list-style-type: none"> (14/14) (2/2) (12/12) (52/105) (34/68) (13/28) (5/9) (56/104) (54/102) (2/2) (24/43) (3/11) (16/20) (1/2) (1/6) (0/1) (3/3)

¹⁶ The Workforce compliance rate includes two Recipients that trained fewer workers than promised and were therefore reimbursed proportionately to the number of workers trained.

¹⁷ Job Retention Tax Credits do not have a closeout year for performance commitments.

¹⁸ The Loan compliance rate includes one Recipient that met the job commitments contained in the agreement but is not current on loan payments. This loan was certified to the AGO for collection on December 13, 2013.

2012 Report Compliance Rates

Overall Compliance Rate	63.5%	(162/255)
• Workforce Compliance Rate ¹⁹	89.9%	(80/89)
○ Appalachian Training Investment	93.3%	(14/15)
○ Ohio Investment in Training	85.2%	(23/27)
○ Ohio Workforce Guarantee	91.5%	(43/47)
• Grant Compliance Rate	48.6%	(36/74)
○ Rapid Outreach	47.6%	(20/42)
○ Roadwork Development	55%	(11/20)
○ Economic Development Contingency	44.4%	(4/9)
○ Global Analyst Settlement	0%	(0/2)
○ Other/Combination	100%	(1/1)
• Tax Credit Compliance Rate ²⁰	59.5%	(25/42)
○ Job Creation Tax Credit	59.5%	(25/42)
• Loan Compliance Rate	42%	(21/50)
○ 166 Direct	25%	(6/24)
○ Regional 166 Direct	81.8%	(9/11)
○ Research & Development Investment	37.5%	(3/8)
○ Innovation Ohio Loan	50%	(3/6)
○ Pioneer Rural Loan	0%	(0/1)

¹⁹ The Workforce compliance rate includes ten Recipients that trained fewer workers than promised and were therefore reimbursed proportionately to the number of workers trained.

²⁰ The Tax Credit compliance rate includes one Recipient that did not meet its job creation and retention commitments in the agreement, but ODSA deemed this Recipient compliant because their reported annual payroll was greater than the commitment in the award agreement.

2011 Report Compliance Rates

	<u>Amended Report</u>	<u>12/29 Report</u>
Overall Compliance Rate	59.1% (199/337)	52.4% (220/420)
Workforce Compliance Rate	88.5% (154/174)	81.7% (138/169)
• Ohio Investment in Training	84.9% (73/86)	84% (74/88)
• Ohio Workforce Guarantee	90.5% (67/74)	77.3% (51/66)
• Appalachian Training Investment	100% (14/14)	86.7% (13/15)
Grant Compliance Rate	27.0% (17/63)	15.6% (12/77)
• Rapid Outreach	24.5% (12/49)	16% (7/44)
• Roadwork Development	27.3% (3/11)	4% (1/25)
• Industrial Site Improvement Fund	N/A	80% (4/5)
• Economic Development Contingency	66.7% (2/3)	0% (0/3)
Tax Credit Compliance Rate	35.1% (17/54)	54.3% (50/92)
• Job Creation	35.1% (17/54)	53.3% (48/90)
• Job Retention	N/A	100% (2/2)
Loan Compliance Rate	23.9% (11/46)	24.4% (20/82)
• Regional 166	21.7% (5/23)	20% (6/30)
• 166 Direct	14.3% (2/14)	26% (6/23)
• Innovation Ohio Loan	0% (0/3)	7.7% (1/13)
• Research & Development Investment	33% (1/3)	33.3% (2/6)
• Ohio Enterprise Bond Fund	100% (2/2)	0% (0/2)
• Pioneer Rural	100% (1/1)	50% (1/2)
• Rural Industrial Park	N/A	50% (1/2)
• Urban Redevelopment	N/A	100% (2/2)
• Rural Development	N/A	50% (1/2)

Appendix 2: Improvements Letter by the Ohio Development Services Agency



John R. Kasich, Governor David Goodman, Director

November 20, 2015

The Honorable Mike Dewine
Ohio Attorney General
30 E. Broad Street, 14th Floor
Columbus, Ohio 43215

Dear Attorney General DeWine:

Job creation is a top priority of the agency. Businesses required to fulfill a job creation commitment by December 31, 2014 delivered 111% of the commitment, an increase from 103% for incentives with a closeout year of 2013.

I'm proud of the hard work JobsOhio and the Development Services Agency are doing to bring relevant, high paying jobs to the state. This partnership has proven successful in both job creation and capital investment.

We appreciate the thorough and professional review by the Attorney General's office of the state economic development incentives. We are pleased to have a partner in state government that is as serious about return on taxpayer investment as we are. Our agency is pleased to once again report a record-breaking year with a 78.9% compliance rate.

This compliance record is years in the making. The staff at the Ohio Development Services agency has made many changes over the years to increase accountability through tighter monitoring of incentives while improving customer service.

Annual reports verify job creation and capital investment, and we are holding business accountable. Our agency knows that business plans change and market conditions fluctuate which is why we work so closely with businesses throughout their entire agreement. Checking in on a business during its closeout year is too late if they're struggling to meet their commitments. If a business looks to fall short on their commitment to the state through an annual filing, we now work with the business to reassess its job and payroll commitments and adjust its benefits accordingly.

In 2015, our agency has added another layer of monitoring. In addition to annual reports, our agency requested the payroll and business records of approximately 10% of the businesses with whom we have active agreements. We used those records to verify the accuracy of the self-reported annual report information.

Our agency is pleased with the continued increase in company compliance. Our agency will continue to look at ways to improve our processes as customer service, efficiency and transparency are top priorities of the Ohio Development Services Agency.

A handwritten signature in blue ink that reads "David Goodman". The signature is stylized and includes a long horizontal flourish at the end.

David Goodman
Director

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Columbus, Ohio 43216-1001 U.S.A. www.development.ohio.gov

The State of Ohio is an Equal Opportunity Employer and Provider of ADA Services

Appendix 3: Non-Compliant Grant Award Recipients

Award Recipient	Location	Program Type	Amount Received	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Amco Corporation/Dura-Line Corporation	Elyria / Lorain Co.	Rapid Outreach	\$22,000.00	Job Creation: 30 Job Retention: 138	Jobs Created: 0 Jobs Retained: 103	Failure to create and retain jobs	ODSA assessed clawback of \$8,500	Recipient paid in full on 6/8/2015.
CP Redi, LLC fka OVCS, Inc.	Columbus / Franklin Co.	Rapid Outreach	\$50,000.00	Job Creation: 50 Job Retention: 139	No closeout report submitted	Failure to submit closeout report	ODSA certified file to AGO for collection	
City of Canton	Canton / Stark Co.	Roadwork Development	\$250,000.00	Complete Roadwork Project	Roadwork Project Not Completed	Roadwork Project Not Completed	ODSA will not pursue clawback if Roadwork Project is completed by 2016 EOY	Recipient signed extension letter.
Columbiana County Department of Development	Village of Calcutta / Columbiana Co.	Roadwork Development	\$719,584.16	Complete Roadwork Project	Roadwork Project Not Completed	Roadwork Project Not Completed	ODSA will not pursue clawback pending completion of the Roadwork Project.	
Composite Technologies Co., LLC	Dayton / Montgomery Co.	Rapid Outreach	\$25,000.00	Job Creation: 50 Job Retention: 73	Jobs Created: 42 Jobs Retained: 73	Failure to create jobs	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Summit County Port Authority	Akron / Summit Co.	Rapid Outreach	\$121,517.00	Job Creation: 93 Job Retention: 528	Jobs Created: 0 Jobs Retained: 479	Failure to create jobs	None	ODSA did not pursue clawback due to completion of the roadwork project.
Exxcel Project Management, Inc.	Marble Cliff / Franklin Co.	Rapid Outreach	\$100,000.00	Job Creation: 13 Job Retention: 22	Jobs Created: 6 Jobs Retained: 22	Failure to create jobs	ODSA assessed clawback of \$13,500	Recipient paid in full on 9/17/2015.
GENCO I, Inc.	Village of Groveport / Franklin Co.	Rapid Outreach	\$60,000.00	Job Creation: 80	Jobs Created: 62	Failure to create jobs	None	ODSA did not pursue clawback due to creating other jobs in the same jurisdiction.
General Aluminum Mfg. Co.	Rootstown Township / Portage Co.	Rapid Outreach	\$300,000.00	Job Creation: 200	Jobs Created: 118	Failure to create jobs	ODSA assessed clawback of \$60,000	Recipient paid in full on 10/20/2015.
HCR Manor Care Services, LLC	Toledo / Lucas Co.	Rapid Outreach	\$65,000.00	Job Creation: 52 Job Retention: 684	Jobs Created: 16 Jobs Retained: 684	Failure to create jobs	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.

Appendix 3 Continued: Non-Compliant Grant Award Recipients

Award Recipient	Location	Program Type	Amount Received	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Mercury Plastics, Inc.	Middlefield Township / Geauga Co.	Rapid Outreach	\$25,000.00	Job Creation: 48 Job Retention: 198	Jobs Created: 31 Jobs Retained: 198	Failure to create jobs	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Nidec Minster Corporation	Minster / Auglaize Co.	Economic Development Contingency	\$500,000.00	Job Creation: 140 Job Retention: 424	Jobs Created: 22 Jobs Retained: 424	Failure to create jobs	ODSA assessed clawback of \$50,000	ODSA awaiting clawback payment as of 11/3/2015.
PF Polymers, LLC	Lima / Allen Co.	Rapid Outreach	\$40,000.00	Job Creation: 60	No closeout report submitted	Failure to submit closeout report	ODSA certified file to AGO for collection	Recipient closed operations.
Quanex IG Systems, Inc.	Cambridge / Guernsey Co.	Economic Development Contingency	\$100,000.00	Job Creation: 135 Job Retention: 170	Jobs Created: 108 Jobs Retained: 170	Failure to create jobs	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Resource Ventures, Ltd.	Columbus / Franklin Co.	Rapid Outreach	\$100,000.00	Job Creation: 50 Job Retention: 247	Jobs Created: 0 Jobs Retained: 232	Failure to create jobs	ODSA assessed clawback of \$22,000	Recipient paid in full on 8/7/2015.
Thaler Machine Company, The	Springboro / Warren Co.	Rapid Outreach	\$33,000.00	Job Creation: 8 Job Retention: 76	Jobs Created: 6 Jobs Retained: 76	Failure to create jobs	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Thermo Fisher Scientific Asheville, LLC	Marietta / Washington Co.	Rapid Outreach	\$190,000.00	Job Creation: 116 Job Retention: 480	Job Creation: 37 Job Retention: 480	Failure to create jobs	ODSA assessed clawback of \$16,900	Recipient paid in full on 8/28/2015.
Voith Hydro, Inc.	Ohio Township / Monroe Co.	Rapid Outreach	\$100,000.00	Job Creation: 40	Jobs Created: 24	Failure to create jobs	ODSA assessed clawback of \$20,000	Recipient paid in full on 6/1/2015.

Appendix 4: Non-Compliant Tax Credit Award Recipients

Award Recipient	Location	Program Type	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
2Checkout.com, Inc.	Columbus / Franklin Co.	Job Creation Tax Credit 50% for 6 years	Job Creation: 100 Job Retention: 89 New Payroll: \$5,000,000.00	Jobs Created: 5 Jobs Retained: 89 New Payroll Generated: \$1,414,926.00	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Acumen Solutions, Inc.	Seven Hills / Cuyahoga Co.	Job Creation Tax Credit 50% for 7 years	Job Creation: 42 New Payroll: \$6,406,400.00	Jobs Created: 92 New Payroll Generated: \$5,281,913.74	Failure to create new payroll	Reduced the term to 6 years, ending December 31, 2017	Approved by the Ohio Tax Credit Authority
ADS Manufacturing Ohio, LLC	Middletown / Butler Co.	Job Creation Tax Credit 40% for 5 years	Job Creation: 50 New Payroll: \$1,400,000.00	Jobs Created: 28 New Payroll Generated: \$805,783.95	Failure to create jobs and new payroll	Reduced the rate to 35% for years 2015-2016	Approved by the Ohio Tax Credit Authority
Aeroseal, LLC	Centerville / Montgomery Co.	Job Creation Tax Credit 40% for 6 years	Job Creation: 40 New Payroll: \$1,400,000.00	Jobs Created: 23 New Payroll Generated: \$1,604,960.01	Failure to create jobs	Reduced the rate to 35%, for years 2015-2017	Approved by the Ohio Tax Credit Authority
Allied Machine & Engineering Corporation	Dover / Tuscarawas Co.	Job Creation Tax Credit 40% for 5 years	Job Creation: 30 Job Retention: 375 New Payroll: \$1,000,000.00	Jobs Created: 85 Jobs Retained: 375 New Payroll Generated: - \$430,972.04	Failure to create new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Apex Industrial Technologies LLC dba Apex Supply Chain Technologies LLC	Mason / Warren Co.	Job Creation Tax Credit 55% for 6 years	Job Creation: 100 Job Retention: 50 New Payroll: \$6,900,000.00	Jobs Created: 80 Jobs Retained: 50 New Payroll Generated: \$7,650,000.00	Failure to create jobs	Reduced the rate to 50%, for years 2015-2017	Approved by the Ohio Tax Credit Authority
Ares Sportswear, Ltd.	Hilliard / Franklin Co.	Job Creation Tax Credit 45% for 3 years followed by 40% for 4 years	Job Creation: 54 Job Retention: 96 New Payroll: \$3,500,000.00	Jobs Created: 58 Jobs Retained: 96 New Payroll Generated: \$3,103,168.00	Failure to create new payroll	None	ODSA will not pursue remedial action as difference was de minimis
Bioformix, Inc.	Miami Township / Clermont Co.	Job Creation Tax Credit 50% for 8 years	Job Creation: 43 Job Retention: 8 New Payroll: \$4,100,000.00	Jobs Created: 33 Jobs Retained: 8 New Payroll Generated: \$3,661,065.09	Failure to create jobs and new payroll	Reduced rate and term to 45% for 7 years, ending December 31, 2018	Approved by the Ohio Tax Credit Authority
BOI Solutions, Inc.	Miamisburg / Montgomery Co.	Job Creation Tax Credit 35% for 6 years	Job Creation: 15 Job Retention: 22 New Payroll: \$926,000.00	Jobs Created: 0 Jobs Retained: 15 New Payroll Generated: \$157,066.00	Failure to create and retain jobs and new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Certech Inc.	Twinsburg / Summit Co.	Job Creation Tax Credit 50% for 6 years	Job Creation: 26 Job Retention: 34 New Payroll: \$730,080.00	Jobs Created: 20 Jobs Retained: 34 New Payroll Generated: \$762,111.42	Failure to create jobs	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Cleveland Research Company, LLC	Cleveland / Cuyahoga Co.	Job Creation Tax Credit 40% for 2 years followed by 35% for 3 years	Job Creation: 10 Job Retention: 68 New Payroll: \$700,000.00	Jobs Created: 7 Jobs Retained: 68 New Payroll Generated: \$641,612.47	Failure to create jobs	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Compco Columbiana Company	Columbiana / Columbiana Co.	Job Creation Tax Credit 35% for 6 years	Job Creation: 23 Job Retention: 96 New Payroll: \$800,000.00	Jobs Created: 16 Jobs Retained: 96 New Payroll Generated: \$940,523.00	Failure to create jobs	Reduced the term to 3 years, ending January 1, 2015 due to ineligibility	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
ContactUS, LLC	Columbus / Franklin Co.	Job Creation Tax Credit 50% for 7 years	Job Creation: 200 New Payroll: \$7,000,000.00	Jobs Created: 170 New Payroll Generated: \$5,493,911.53	Failure to create jobs and new payroll	Reduced the term to 6 years, ending December 31, 2017	Approved by the Ohio Tax Credit Authority

Appendix 4 Continued: Non-Compliant Tax Credit Award Recipients

Award Recipient	Location	Program Type	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Custom Culinary, Inc.	Avon / Lorain Co.	Job Creation Tax Credit 35% for 6 years	Job Creation: 17 Job Retention: 27 New Payroll: \$660,000.00	Jobs Created: 1 Jobs Retained: 27 New Payroll Generated: \$187,721.62	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Delaware Art.com, Inc.	Obetz / Franklin Co.	Job Creation Tax Credit 35% for 5 years	Job Creation: 75 Job Retention: 173 New Payroll: \$2,000,000.00	Jobs Created: 80 Jobs Retained: 173 New Payroll Generated: \$1,432,067.85	Failure to create new payroll	None	ODSA will not pursue remedial action as difference was de minimis
E.W. Scripps Company, The	Cincinnati / Hamilton Co.	Job Creation Tax Credit 60% for 3 years followed by 55% for 3 years	Job Creation: 100 Job Retention: 164 New Payroll: \$11,300,000.00	Jobs Created: 101 Jobs Retained: 164 New Payroll Generated: \$4,448,183.74	Failure to create new payroll	Reduced the rate to 50%, for years 2015-2017	Approved by the Ohio Tax Credit Authority
Eaton Aeroquip LLC	Berea / Cuyahoga Co.	Job Creation Tax Credit 40% for 6 years	Job Creation: 36 Job Retention: 100 New Payroll: \$1,000,000.00	Jobs Created: 10 Jobs Retained: 100 New Payroll Generated: \$104,658.28	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Explorys, Inc.	Cleveland / Cuyahoga Co.	Job Creation Tax Credit 60% for 2 years followed by 55% for 5 years	Job Creation: 120 Job Retention: 35 New Payroll: \$9,000,000.00	Jobs Created: 107 Jobs Retained: 35 New Payroll Generated: \$9,197,464.17	Failure to create jobs	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Hadsell Chemical Processing LLC	Waverly / Pike Co.	Job Creation Tax Credit 45% for 7 years	Job Creation: 35 Job Retention: 10 New Payroll: \$1,000,000.00	Jobs Created: 29 Jobs Retained: 10 New Payroll Generated: \$1,634,013.22	Failure to create jobs	Reduced the term to 6 years, ending December 31, 2017	Approved by the Ohio Tax Credit Authority
Industry Products Co.	Piqua / Miami Co.	Job Creation Tax Credit 45% for 6 years	Job Creation: 50 Job Retention: 371 New Payroll: \$1,300,000.00	Jobs Created: 43 Jobs Retained: 371 New Payroll Generated: \$2,040,602.00	Failure to create jobs	Reduced the term to 3 years, ending January 1, 2015 due to ineligibility	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
INVOTEC Engineering, Inc.	Springboro / Montgomery Co.	Job Creation Tax Credit 40% for 5 years	Job Creation: 28 Job Retention: 45 New Payroll: \$1,200,000.00	Jobs Created: 11 Jobs Retained: 45 New Payroll Generated: \$1,055,026.83	Failure to create jobs and new payroll	Reduced the rate to 35%, for years 2015-2016	Approved by the Ohio Tax Credit Authority
iQor Holdings US Inc.	New Albany / Franklin Co.	Job Creation Tax Credit 55% for 7 years	Job Creation: 300 Job Retention: 593 New Payroll: \$7,300,000.00	Jobs Created: 207 Jobs Retained: 593 New Payroll Generated: \$2,041,305.26	Failure to create jobs and new payroll	Reduced the term to 5 years, ending December 31, 2016	Approved by the Ohio Tax Credit Authority
Kohl's Department Stores, Inc.	Findlay / Hancock Co.	Job Creation Tax Credit 45% for 7 years	Job Creation: 50 Job Retention: 180 New Payroll: \$1,100,000.00	Jobs Created: 321 Jobs Retained: 180 New Payroll Generated: \$189,621.00	Failure to create new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Korff Holdings LLC dba Quaker City	Salem / Columbiana Co.	Job Creation Tax Credit 35% for 6 years	Job Creation: 30 Job Retention: 90 New Payroll: \$700,000.00	Jobs Created: 24 Jobs Retained: 90 New Payroll Generated: \$960,235.06	Failure to create jobs	Reduced the term to 3 years, ending January 1, 2015 due to ineligibility	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
MITEC Powertrain Inc.	Findley / Hancock Co.	Job Creation Tax Credit 45% for 6 years	Job Creation: 88 New Payroll: \$4,200,000.00	Jobs Created: 64 New Payroll Generated: \$2,395,537.00	Failure to create jobs and new payroll	None	ODSA will not pursue a reduction in rate or term due to market conditions.
NDC Technologies, Inc.	Huber Heights / Montgomery Co.	Job Creation Tax Credit 35% for 5 years	Job Creation: 13 Job Retention: 65 New Payroll: \$700,000.00	Jobs Created: 7 Jobs Retained: 65 New Payroll Generated: \$444,694.40	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority

Appendix 4 Continued: Non-Compliant Tax Credit Award Recipients

Award Recipient	Location	Program Type	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Nextant Aerospace, LLC	Richmond Heights / Cuyahoga Co.	Job Creation Tax Credit 50% for 8 years	Job Creation: 154 Job Retention: 80 New Payroll: \$9,600,000.00	Jobs Created: 0 Jobs Retained: 47 New Payroll Generated: -\$133,119.00	Failure to create and retain jobs and new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Philips Medical Systems (Cleveland), Inc.	Highland Heights / Cuyahoga Co.	Job Creation Tax Credit 60% for 10 years	Job Creation: 100 Job Retention: 799 New Payroll: \$7,900,000.00	Jobs Created: 73 Jobs Retained: 799 New Payroll Generated: \$17,442,428.55	Failure to create jobs	Reduced the term to 3 years, ending January 1, 2015 due to ineligibility	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Pivotek, LLC	Cincinnati / Hamilton Co.	Job Creation Tax Credit 60% for 6 years	Job Creation: 235 New Payroll: \$11,500,000.00	Jobs Created: 52 New Payroll Generated: \$1,456,835.00	Failure to create jobs and new payroll	Reduced the rate to 40%, for years 2015-2017	Approved by the Ohio Tax Credit Authority
Process Equipment Co. of Tipp City	Tipp City / Miami Co.	Job Creation Tax Credit 45% for 6 years	Job Creation: 62 Job Retention: 130 New Payroll: \$2,700,000.00	Jobs Created: 55 Jobs Retained: 130 New Payroll Generated: \$4,246,003	Failure to create jobs	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Procter & Gamble Company, The	Cincinnati / Hamilton Co.	Job Creation Tax Credit 65% for 10 years	Job Creation: 336 Job Retention: 562 New Payroll: \$23,600,000.00	Jobs Created: 224 Jobs Retained: 562 New Payroll Generated: \$7,284,106.00	Failure to create jobs and new payroll	Reduced rate and term to 55% for 6 years, ending December 31, 2017	Approved by the Ohio Tax Credit Authority
Quanex IG Systems, Inc.	Cambridge Guernsey Co.	Job Creation Tax Credit 55% for 10 years	Job Creation: 162 Job Retention: 170 New Payroll: \$4,751,136.00	Jobs Created: 108 Jobs Retained: 170 New Payroll Generated: \$5,664,310.00	Failure to create jobs	Reduced the term to 7 years, ending December 31, 2018	Approved by the Ohio Tax Credit Authority
Quantum Health, Inc.	Columbus / Franklin Co.	Job Creation Tax Credit 60% for 2 years followed by 55% for 5 years	Job Creation: 210 Job Retention: 230 New Payroll: \$15,000,000.00	Jobs Created: 261 Jobs Retained: 230 New Payroll Generated: \$9,113,900.00	Failure to create new payroll	None	ODSA will not pursue remedial action as difference was de minimis
Resource Ventures, Ltd.	Columbus / Franklin Co.	Job Creation Tax Credit 55% for 3 years followed by 60% for 7 years	Job Creation: 217 Job Retention: 133	Jobs Created: 99 Jobs Retained: 133	Failure to create jobs	Reduced the term to 9 years, ending January 1, 2016	Approved by the Ohio Tax Credit Authority
Rimrock Corporation	Columbus / Franklin Co.	Job Creation Tax Credit 40% for 8 years	Job Creation: 14 Job Retention: 37 New Payroll: \$700,000.00	Jobs Created: 18 Jobs Retained: 37 New Payroll Generated: \$534,915.20	Failure to create new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Seepex, Inc.	Mad River Township / Clark Co.	Job Creation Tax Credit 40% for 2 years followed by 35% for 3 years	Job Creation: 24 Job Retention: 69 New Payroll: \$1,100,000.00	Jobs Created: 20 Jobs Retained: 69 New Payroll Generated: 1,099,529.00	Failure to create jobs	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Seilkop Industries, Inc.	Cincinnati / Hamilton Co.	Job Creation Tax Credit 45% for 5 years	Job Creation: 25 Job Retention: 62 New Payroll: \$700,000.00	Jobs Created: 0 Jobs Retained: 58 New Payroll Generated: -\$32,485.09	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Switchbox, Inc.	Columbus / Franklin Co.	Job Creation Tax Credit 40% for 6 years	Job Creation: 25 Job Retention: 15 New Payroll: \$1,300,000.00	Jobs Created: 0 Jobs Retained: 15 New Payroll Generated: \$551,005.00	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Thirty-One Gifts LLC	Springfield / Clark Co.	Job Creation Tax Credit 60% for 6 years	Job Creation: 500 New Payroll: \$11,300,000.00	Jobs Created: 107 New Payroll Generated: \$3,790,064.04	Failure to create jobs and new payroll	None	Recipient Voluntarily Terminated; Approved by the Ohio Tax Credit Authority
United Retirement Plan Consultants, Inc.	Dublin / Franklin Co.	Job Creation Tax Credit 40% for 5 years	Job Creation: 15 Job Retention: 12 New Payroll: \$1,200,000.00	Jobs Created: 10 Jobs Retained: 12 New Payroll Generated: \$965,019.00	Failure to create jobs and new payroll	Reduced the rate to 35%, for years 2015-2016	Approved by the Ohio Tax Credit Authority

Appendix 4 Continued: Non-Compliant Tax Credit Award Recipients

Award Recipient	Location	Program Type	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Valtronic Technologies (USA) Inc.	Solon / Cuyahoga Co.	Job Creation Tax Credit 45% for 5 years	Job Creation: 50 Job Retention: 89 New Payroll: \$2,300,000.00	Jobs Created: 30 Jobs Retained: 89 New Payroll Generated: \$643,367.00	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2015	Approved by the Ohio Tax Credit Authority
Viking Forge Corp.	Streetsboro / Portage Co.	Job Creation Tax Credit 45% for 5 years	Job Creation: 40 Job Retention: 131 New Payroll: \$900,000.00	Jobs Created: 10 Jobs Retained: 131 New Payroll Generated: \$1,014,613.70	Failure to create jobs	Reduced the rate to 40%, for years 2015-2016	Approved by the Ohio Tax Credit Authority
Pre-2014 Closeout:							
Award Recipient	Location	Program Type	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Mettler-Toledo, Inc.	Worthington / Franklin Co.	Job Creation Tax Credit 40% for 5 years	Job Creation: 25 Job Retention: 100 New Payroll: \$1,200,000.00	Jobs Created: 18 Jobs Retained: 100 New Payroll Generated: \$2,469,468.00	Failure to create jobs	None	2013 Closeout. Recipient voluntarily terminated. ODSA would have considered Recipient substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.

Appendix 5: Non-Compliant Loan Award Recipients

Award Recipient	Location	Program Type	Amount Received	Commitments	Performance	Reason for Non-Compliance	Loan Status as of 10/15/2015	Remedial Action	Comments
Columbus-Franklin County Finance Authority	Grove City / Franklin Co.	Innovation Ohio Loan	\$2,000,000.00	Job Creation: 55 Job Retention: 40	Jobs Created: 0 Jobs Retained: 10	Failure to create and retain jobs	Current	ODSA increased the effective interest rate by 1.0%, effective 11/1/2015	
IRG Warren I LLC	Howland & Bazetta / Trumbull Co.	166 Direct	\$1,900,000.00	Job Creation: 56 Job Retention 177	Jobs Created: 0 Jobs Retained: 43	Failure to create and retain jobs	Current	ODSA increased the effective interest rate by 1.0%, effective 11/1/2015	
Jabbour Properties, LLC	Cuyahoga Falls / Summit Co.	Regional 166 Direct	\$75,000.00	Job Creation: 3 Job Retention: 3	Jobs Created: 1 Jobs Retained: 3	Failure to create jobs	Past due	ODSA increased the effective interest rate by 1.0%, effective 11/1/2015	
KES Properties LLC	Twinsburg / Summit Co.	Regional 166 Direct	\$264,000.00	Job Creation: 6 Job Retention: 6	Jobs Created: 0 Jobs Retained: 6	Failure to create jobs	Current	ODSA increased the effective interest rate by 1.0%, effective 11/1/2015	
Minimally Invasive Devices, Inc.	Columbus, Franklin, and Grandview Heights / Franklin Co.	Innovation Ohio Loan	\$662,250.00	Job Creation: 20 Job Retention: 22	Jobs Created: 13 Jobs Retained: 22	Failure to create jobs	Paid off 4/2015	None	No further action due to loan being paid off.
Mt. Orab Port Authority	Mt. Orab / Brown Co.	166 Direct	\$1,500,000.00	Job Creation: 110 Job Retention: 91	Jobs Created: 67 Jobs Retained: 91	Failure to create jobs	Current	In remedial action process as of 11/3/2015	
Mt. Orab Port Authority	Mt. Orab / Brown Co.	Ohio Enterprise Bond	\$3,400,000.00	Job Creation: 110 Job Retention: 91	Jobs Created: 67 Jobs Retained: 91	Failure to create jobs	Current	In remedial action process as of 11/3/2015	
Seaman Corporation	Wooster / Wayne Co.	166 Direct	\$3,000,000.00	Job Creation: 12 Job Retention: 141	Jobs Created: 0 Jobs Retained: 141	Failure to create jobs	Current	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain
Thermedx, LLC	Solon / Cuyahoga Co.	Innovation Ohio Loan	\$1,275,000.00	Job Creation: 31 Job Retention: 15	Jobs Created: 0 Jobs Retained: 15	Failure to create jobs	Paid off 4/2015	None	No further action due to loan being paid off.
Total Home Healthcare, Inc.	Columbus / Franklin Co.	Minority Business Direct	\$261,315.00	Job Creation: 15	Jobs Created: 30	Closed operations	Current	ODSA increased the effective interest rate by 1.0%, effective 11/1/2015	Recipient entered into forbearance agreement with ODSA. Recipient met job commitments but ODSA deemed noncompliant because Recipient closed operations
Von Strohm Fiber Processing Mill, LLC	South Bloomfield / Pickaway Co.	Minority Business Direct	\$105,000.00	Job Creation: 8 Job Retention: 1	Jobs Created: 3 Jobs Retained: 1	Failure to create jobs	Current	ODSA increased the effective interest rate by 2.0%, effective 11/1/2015	Recipient entered into forbearance agreement with ODSA
WebCore Technologies, Inc.	Miamisburg / Montgomery Co.	Innovation Ohio Loan	\$989,000.00	Job Creation: 32 Job Retention: 38	No closeout report submitted	Failure to submit closeout report	Default	ODSA in process of certifying to AGO for collection	Recipient went bankrupt and closed operations at project site

Appendix 5 Continued: Non-Compliant Loan Award Recipients

Pre-2014 Closeout:									
Award Recipient	Location	Program Type	Amount Received	Commitments	Performance	Reason for Non-Compliance	Loan Status as of 10/15/2015	Remedial Action	Comments
CDSF, Ltd.	Akron / Summit Co.	166 Direct	\$1,500,000.00	Job Creation: 15 Job Retention: 117	Jobs Created: 0 Jobs Retained: 102	Failure to create and retain jobs	Current	None	2013 Closeout. ODSA did not take further action due to substantial employment at other locations in the region.
Capital Transportation, Inc.	Columbus / Franklin Co.	Minority Business Direct	\$506,376.00	Job Creation: 40	Jobs Created: 33	Failure to create jobs	Current	ODSA in negotiations with Recipient to resolve all outstanding incentives.	2013 Closeout.