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**2016 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 2015 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” 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 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: “Market Conditions” “means those conditions determined by the Director, with advice from the Federal Reserve Bank of Cleveland. The Director shall consider the following: (i) two (2) 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 12 of the last 36 months as detailed in the Federal Reserve's National Industrial Production Index; and (iii) a decline within the relevant sector of Standard & Poor's 'Industrial 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 2015 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, an Award Recipient 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, an Award 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 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 2015. 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 2015 closeout report if filed by the Award Recipient. ODSA identified 333 awards as having performance periods ending in calendar year 2015. ODSA and the AGO then determined four (4) awards did not have a 2015 closeout.¹ The AGO received 329 in-scope award files from ODSA and an additional six (6) award files with performance periods ending prior to calendar year 2015.

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 Award Recipients.

Of the 329 in-scope award files, Award Recipients receiving 279 awards substantially complied (met at least 90% of the commitments) with the terms and conditions of their award agreements, while Award Recipients receiving 50 awards did not comply. This represents an overall compliance rate of 84.8%. 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	84.8%	(279/329)
<ul style="list-style-type: none"> • Workforce Compliance Rate³ <ul style="list-style-type: none"> ○ Workforce Training Grant ○ Ohio Workforce Guarantee 	100% 100% 100%	(33/33) (20/20) (13/13)
<ul style="list-style-type: none"> • Grant Compliance Rate <ul style="list-style-type: none"> ○ Rapid Outreach ○ Roadwork Development ○ Economic Development Contingency ○ Business Investment 	86.3% 75% 100% 88.9% 83.3%	(101/117) (39/52) (41/41) (16/18) (5/6)
<ul style="list-style-type: none"> • Tax Credit Compliance Rate <ul style="list-style-type: none"> ○ Job Creation Tax Credit ○ Job Retention Tax Credit⁴ 	80% 79.6% 100%	(92/115) (90/113) (2/2)
<ul style="list-style-type: none"> • Loan Compliance Rate <ul style="list-style-type: none"> ○ 166 Direct ○ Regional 166 Direct ○ Research & Development Investment ○ Innovation Ohio Loan ○ Ohio Enterprise Bond Fund ○ Minority Business Direct Fund ○ Logistics & Distribution 	82.8% 77.8% 95.7% 100% 33.3% 100% 100% 100%	(53/64) (14/18) (22/23) (4/4) (3/9) (5/5) (1/1) (4/4)

³ The Workforce compliance rate includes four (4) Award 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 Award 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 Award Recipients with the terms and conditions of their award agreements.⁶ When determined to be appropriate and to the extent that an Award 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 Award 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 Award 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 closeout report within a certain number of days after the expiration date. Therefore, some Award Recipients with an expiration date late in the calendar year have until the beginning of the following calendar year to submit their closeout reports.

This AGO report focuses on Award Recipients that received awards with a 2015 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 Award 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 Award 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 an Award 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. Award 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 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 an Award 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 Award 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 an Award 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 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 an Award 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 an Award 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 Award 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 Award 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 Award Recipient may claim the credit (reduce the term), or reduce the proportional amount an Award 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 Award 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 Award 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 Award 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. Award Recipients must also submit annual progress reports and a closeout report to ODSA. If an Award Recipient fails to meet its obligations under the Loan agreement, ODSA may increase the interest rate on the

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.

outstanding balance of the loan. The AGO determined compliance based on job creation and job retention commitments, consistent with 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 Award 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 2015. ODSA identified 333 awards as having performance periods ending in calendar year 2015.¹¹ ODSA and the AGO then determined that four (4) award files did not have a 2015 closeout.

ODSA also identified an additional six (6) award files with performance periods ending prior to calendar year 2015. It was determined that these 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 2015.

The AGO received 329 in-scope award files from ODSA and an additional six (6) award files with performance periods ending prior to calendar year 2015.

Phase Two: Compliance Evaluation

In the second phase of the review, the AGO conducted a detailed compliance review of the 329 in-scope award files and six (6) pre-2015 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 2015 closeout report¹² if filed by the Award Recipient.

This compliance review took place over an eight (8) 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

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 2015 were based on the annual report provided for each award.

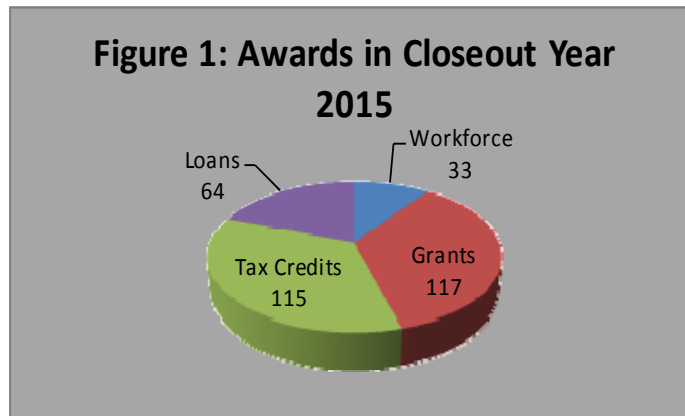
shared with ODSA. The AGO also requested the results of ODSA’s compliance determination for each award and what remedial action, if any, has been taken with respect to non-compliant Award Recipients. The results of the compliance review are set forth in this report.

KEY FINDINGS

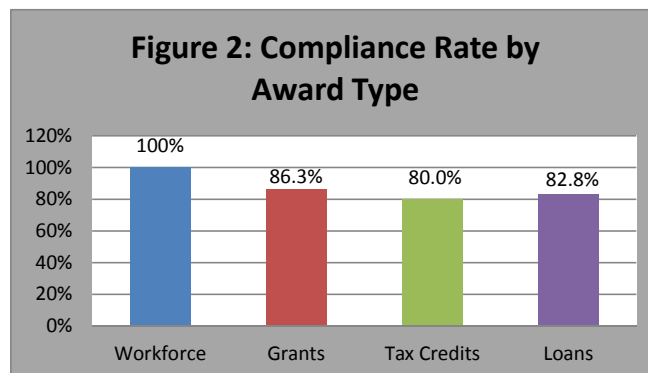
All Awards

The AGO reviewed 329 in-scope economic development awards. The AGO determined that Award Recipients receiving 279 awards had substantially complied with the terms and conditions of their award agreements, whereas Award Recipients receiving 50 awards did not comply, representing an overall compliance rate of **84.8%**. 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 2015 closeout awards by award type:



- Figure 2 details the compliance rate by award type:

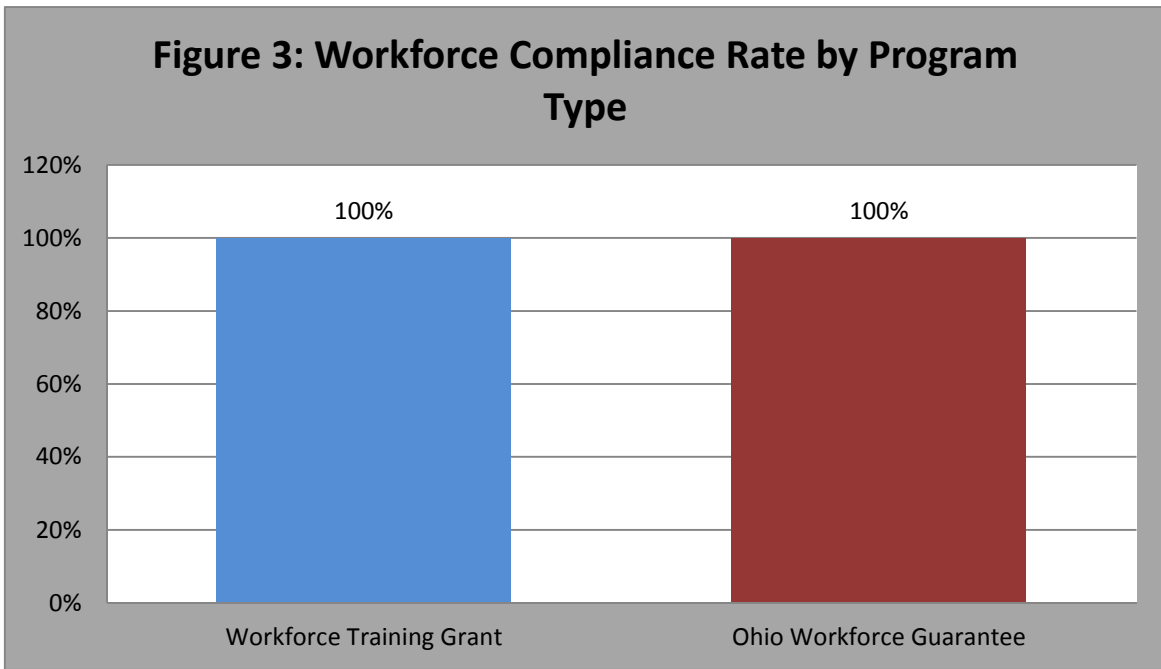


Workforce Awards

Among all active awards administered by ODSA, 33 Workforce Awards, with a total combined value of over \$4 million, had a closeout year of 2015. 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%**.

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

- Figure 3 details the compliance rate of 2015 closeout Workforce awards by program type:

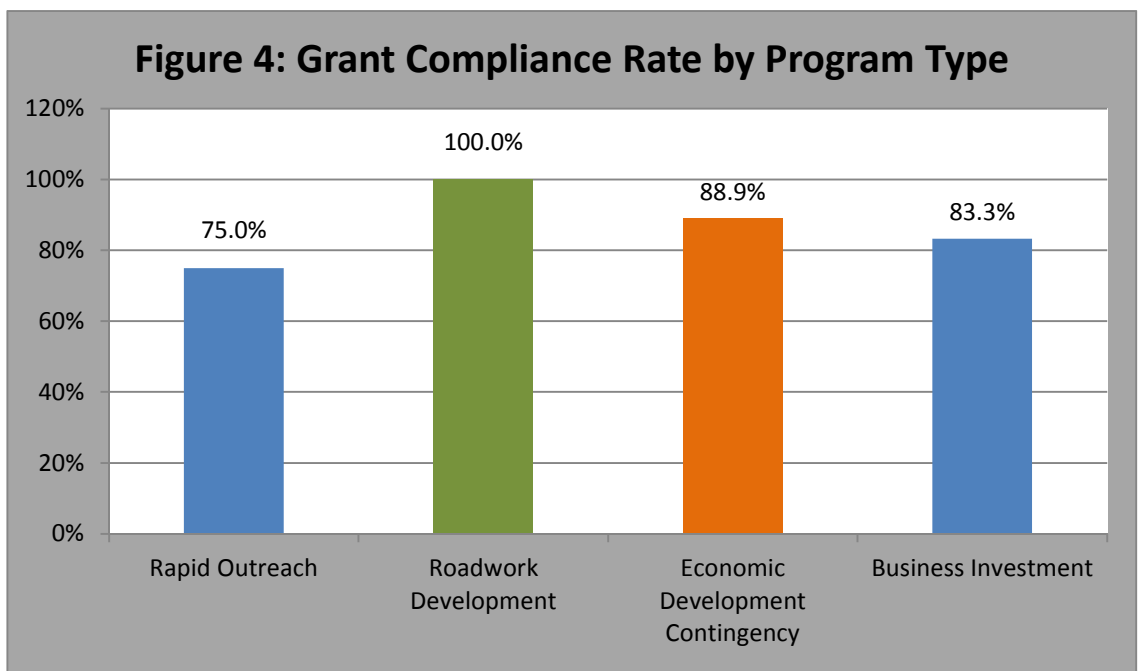


Grant Awards

ODSA awarded 117 Grants with a closeout year of 2015, having a total combined value of over \$34 million. The AGO determined that 101 of the Grant Award Recipients had substantially complied with the terms and conditions of their award agreements, and 16 Award Recipients did not comply, representing an overall Grant compliance rate of **86.3%**.

Additionally, ODSA provided two Grant award files that had 2013 closeout years. These Award Recipients are not included in the 2015 compliance numbers; however, the AGO would have determined these Award Recipients to be compliant.

- Figure 4 details the compliance rate of 2015 closeout Grant Awards by program type:

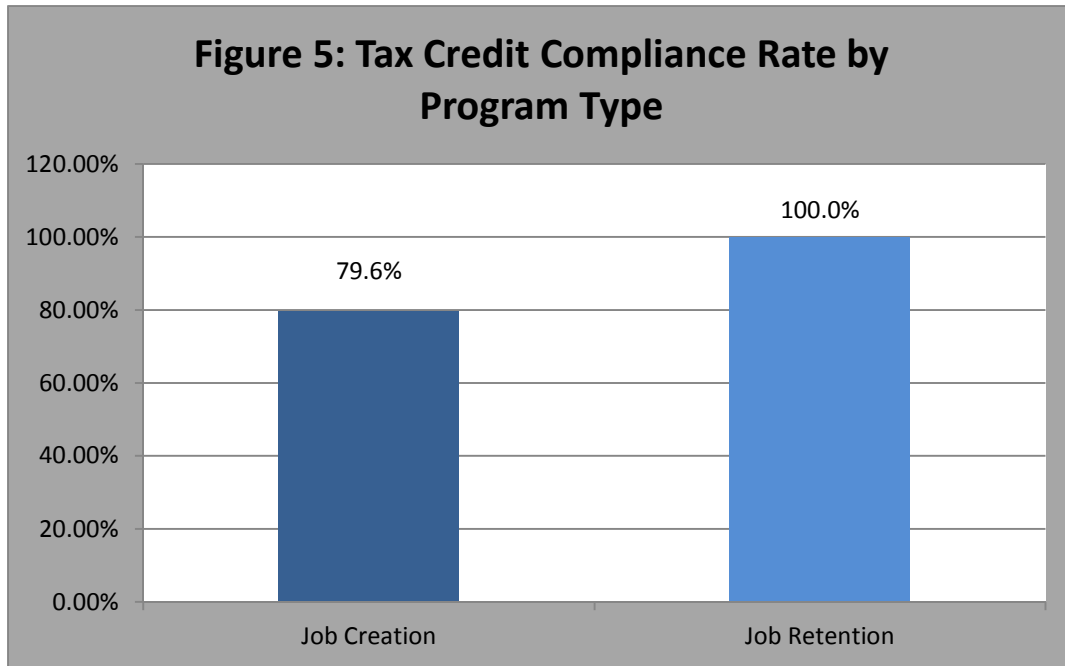


A list of Award Recipients that did not comply with the terms and conditions, including certain performance metrics, of their Grant award agreements, as well as the reasons for non-compliance and any remedial actions being taken by ODSA, are attached as Appendix 3.

Tax Credit Awards

ODSA maintained 115 Tax Credit Awards with a total initial claimed value of over \$47 million that had a closeout year of 2015. The AGO determined that 92 of the Tax Credit Award Recipients had substantially complied with the terms and conditions of their award agreements, and 23 Award Recipients did not comply, resulting in an overall Tax Credit award compliance rate of **80%**.

- Figure 5 details the compliance rate of 2015 closeout Tax Credit Awards by program type:



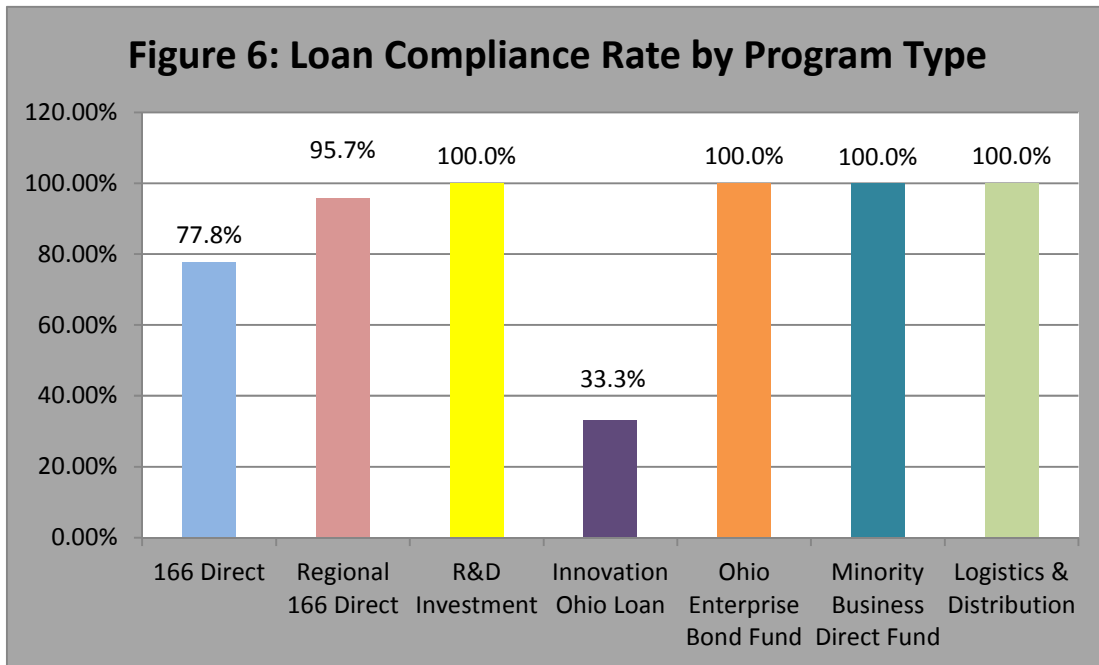
A list of Award Recipients that did not comply with the terms and conditions, including certain performance metrics, of their Tax Credit award agreements, as well as the reasons for non-compliance and any remedial actions being taken by ODSA, are attached as Appendix 4.

Loan Awards

ODSA awarded 64 Loans with a total combined value of over \$112 million that had closeout years in 2015. The AGO determined that 53 of the Loan Award Recipients had substantially complied with the terms and conditions of their award agreements, specifically the job creation and job retention commitments, and 11 Loan Award Recipients did not comply, representing an overall Loan compliance rate of **82.8%**.

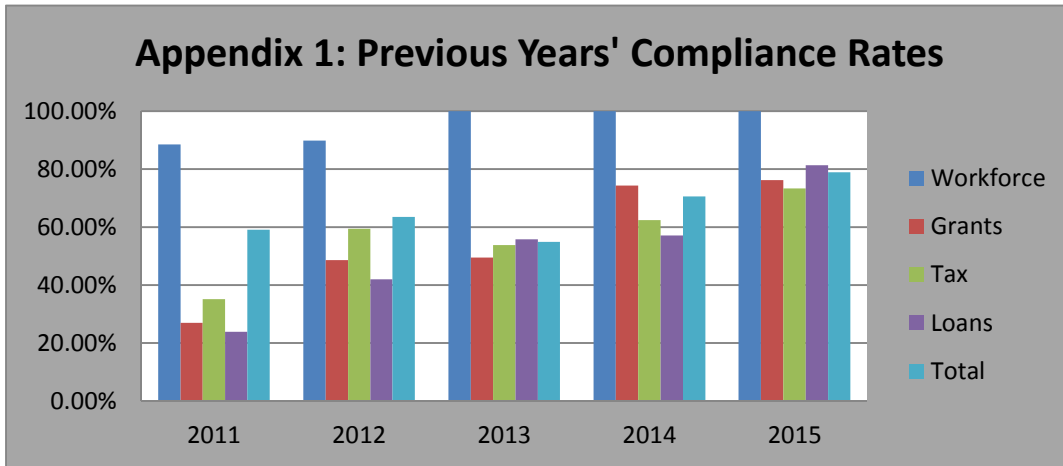
Additionally, ODSA provided four award files for Loans that had performance periods ending before 2015. Based on the documentation provided for each award file, one Loan Award Recipient would have been determined to be non-compliant during the appropriate closeout year. See Appendix 5.

- Figure 6 details the compliance rate of 2015 closeout Loan Awards by program type:



A list of Award 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



2015 Compliance Rates

Overall Compliance Rate	78.9%	(269/341)
• Workforce Compliance Rate¹³	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 ¹⁴	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)

¹³ The Workforce compliance rate includes two (2) Award Recipients who trained fewer workers than promised and were therefore reimbursed proportionally to the number of workers trained.

¹⁴ Job Retention Tax Credits do not have a closeout year for performance commitments.

2014 Report Compliance Rates

Overall Compliance Rate	70.6%	(180/255)
• Workforce Compliance Rate ¹⁵	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 ¹⁶	59.8%	(70/117)
○ Job Retention Tax Credit ¹⁷	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)

¹⁵ The Workforce compliance rate includes eleven (11) Award Recipients that trained fewer workers than promised and were therefore reimbursed proportionally to the number of workers trained.

¹⁶ The Job Creation Tax Credit compliance rate includes four Award 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.

¹⁷ 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 Rate¹⁸ <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 Credit¹⁹ • Loan Compliance Rate²⁰ <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)

¹⁸ The Workforce compliance rate includes two Award Recipients that trained fewer workers than promised and were therefore reimbursed proportionately to the number of workers trained.

¹⁹ Job Retention Tax Credits do not have a closeout year for performance commitments.

²⁰ The Loan compliance rate includes one Award 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)
<ul style="list-style-type: none"> • Workforce Compliance Rate²¹ <ul style="list-style-type: none"> ○ Appalachian Training Investment ○ Ohio Investment in Training ○ Ohio Workforce Guarantee • Grant Compliance Rate <ul style="list-style-type: none"> ○ Rapid Outreach ○ Roadwork Development ○ Economic Development Contingency ○ Global Analyst Settlement ○ Other/Combination • Tax Credit Compliance Rate²² <ul style="list-style-type: none"> ○ Job Creation Tax Credit • Loan Compliance Rate <ul style="list-style-type: none"> ○ 166 Direct ○ Regional 166 Direct ○ Research & Development Investment ○ Innovation Ohio Loan ○ Pioneer Rural Loan 	<ul style="list-style-type: none"> 89.9% 93.3% 85.2% 91.5% 48.6% 47.6% 55% 44.4% 0% 100% 59.5% 59.5% 42% 25% 81.8% 37.5% 50% 0% 	<ul style="list-style-type: none"> (80/89) (14/15) (23/27) (43/47) (36/74) (20/42) (11/20) (4/9) (0/2) (1/1) (25/42) (25/42) (21/50) (6/24) (9/11) (3/8) (3/6) (0/1)

²¹ The Workforce compliance rate includes ten Award Recipients that trained fewer workers than promised and were therefore reimbursed proportionately to the number of workers trained.

²² The Tax Credit compliance rate includes one Award Recipient that did not meet its job creation and retention commitments in the agreement, but ODSA deemed this Award 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 21, 2016

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

Dear Attorney General DeWine:

The Ohio Development Services Agency (ODSA) welcomes the professional and thorough review of job creation incentives by your office. We are pleased at another record-breaking year with a compliance rate of 84.8%.

I committed our agency to transparency, accountability and sound metrics to ensure value from taxpayer money invested in economic development incentives. Again this year, we continue to improve our processes to simplified reporting, verification of annual reports, and site visits to companies and communities receiving incentives. This leads to increased compliance.

Compliance leads to jobs. ODSA is proud of the jobs created from the economic development incentives completed in 2015. In total, businesses delivered 119% of the job commitments, an increase from 111% jobs created over commitments in the 2014 closeout year.

In partnership with JobsOhio, the growth of relevant, high-paying jobs in the state has increased each year. ODSA is committed to holding businesses accountable for their commitments, while being a strong partner to assist them in growth. We work closely with businesses every step of the way to make sure they are on track to meet the requirements set forth by their agreement.

Our staff will continue to look at ways to improve processes to continue our mission of creating jobs, cutting bureaucracy and improving customer service.

Sincerely,

A handwritten signature in blue ink that reads "David Goodman". The signature is stylized and fluid.

David Goodman
Director, Ohio Development Services Agency

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Appendix 3: Non-Compliant Grant Award Recipients

Award Recipient	Location	Program Type	Amount Received	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Alpine Products, Inc.	Harrison Township / Montgomery Co.	Rapid Outreach	\$ 30,000.00	Job Creation: 58 Job Retention: 22	Jobs Created: 0 Jobs Retained: 22	Failure to create jobs	ODSA assessed clawback of \$14,500	ODSA certified payment to AGO for collection
AlSher Titania, LLC	Cleveland / Cuyahoga Co.	Economic Development Contingency	\$150,000.00	Job Creation: 201	Jobs Created: 1	Failure to create jobs	ODSA assessed clawback of \$150,000	ODSA awaiting clawback payment due 12/15/2016
Custom Molded Products LLC	Wilmington / Clinton Co.	Business Investment Grant	\$ 50,000.00	Job Creation: 40 Job Retention: 97	Jobs Created: 18 Jobs Retained: 97	Failure to create jobs	None	ODSA took no further action due to intent to amend agreement
Dannon Company, Inc., The	Minster / Auglaize Co.	Rapid Outreach	\$280,000.00	Job Creation: 100 Job Retention: 422	Jobs Created: 0 Jobs Retained: 415	Failure to create jobs	ODSA assessed clawback of \$280,000	Award Recipient paid in full on 8/3/2016
DimcoGray Corporation	Centerville / Montgomery Co.	Rapid Outreach	\$ 12,000.00	Job Creation: 5 Job Retention: 50	Jobs Created: 0 Jobs Retained: 47	Failure to create jobs	ODSA assessed clawback of \$8,000	Award Recipient paid in full on 8/24/2016
HealthSpot Inc.	Dublin / Franklin Co.	Rapid Outreach	\$ 50,000.00	Job Creation: 60	Jobs Created: 0	Failure to create jobs; Missing annual report	None	No clawback due to bankruptcy
International Technical Coatings, Inc.	Columbus / Franklin Co.	Rapid Outreach	\$200,000.00	Job Creation: 120	Jobs Created: 98	Failure to create jobs	None	No clawback due to bankruptcy
Koneta, Inc.	Wapakoneta / Auglaize Co.	Rapid Outreach	\$ 77,198.14	Job Creation: 83 Job Retention: 139	Jobs Created: 0 Jobs Retained: 74	Failure to create and retain jobs	ODSA assessed clawback of \$18,000	Award Recipient paid in full on 10/20/2015
Libbey Inc.	Toledo / Lucas Co.	Rapid Outreach	\$ 36,000.00	Job Creation: 50 Job Retention: 1246	Jobs Created: 36 Jobs Retained: 1246	Failure to create jobs	None	ODSA deemed substantially compliant because Award Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain
Owens-Brockway Glass Container, Inc.	Perrysburg / Wood Co.	Rapid Outreach	\$300,000.00	Job Creation: 55 Job Retention: 751	Jobs Created: 39 Jobs Retained: 751	Failure to create jobs	None	ODSA deemed substantially compliant because Award Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain
Procter & Gamble Company, The	Cincinnati / Hamilton Co.	Rapid Outreach	\$250,000.00	Job Creation: 336 Job Retention: 562	Jobs Created: 214 Jobs Retained: 562	Failure to create jobs	ODSA assessed clawback of \$34,000	Award Recipient paid in full on 6/20/2016

Appendix 3 Continued: Non-Compliant Grant Award Recipients

Award Recipient	Location	Program Type	Amount Received	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
Projects Unlimited, Inc.	Dayton / Montgomery Co.	Rapid Outreach	\$ 20,000.00	Job Creation: 20 Job Retention: 126	Jobs Created: 15 Jobs Retained: 126	Failure to create jobs	None	ODSA deemed substantially compliant because Award Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain
Railtech Boutet, Inc.	Liberty Township / Henry Co.	Rapid Outreach	\$ 35,000.00	Job Creation: 33 Job Retention: 28	Jobs Created: 23 Jobs Retained: 28	Failure to create jobs	ODSA assessed clawback of \$5,740	Award Recipient paid in full on 5/31/2016
U.S. Refractory Products, LLC	North Ridgeville / Lorain Co.	Rapid Outreach	\$ 11,000.00	Job Creation: 21 Job Retention: 19	Jobs Created: 12 Jobs Retained: 19	Failure to create jobs	None	ODSA did not pursue a clawback due to market conditions and the difference was de minimis
United States Steel Corporation	Lorain / Lorain Co.	Economic Development Contingency	\$200,000.00	Job Creation: 80 Job Retention: 508	Jobs Created: 0 Jobs Retained: 402	Failure to create and retain jobs	ODSA assessed clawback of \$133,330 for both grants	Award Recipient is performing on payment plan
United States Steel Corporation	Lorain / Lorain Co.	Rapid Outreach	\$200,000.00	Job Creation: 80 Job Retention: 508	Jobs Created: 0 Jobs Retained: 402	Failure to create and retain jobs	ODSA assessed clawback of \$133,330 for both grants	Award Recipient is performing on payment plan

Appendix 4: Non-Compliant Tax Credit Award Recipients

Award Recipient	Location	Program Type	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
5Me, LLC	Cincinnati / Clermont Co.	Job Creation Tax Credit 50% for 7 years	Job Creation: 62 New Payroll: \$4,656,745	Jobs Created: 26 New Payroll Generated: \$2,535,489	Failure to create jobs and new payroll	Reduced the term to 6 years, ending December 31, 2018	Approved by the Ohio Tax Credit Authority
Anomatic Corporation	New Albany / Licking Co.	Job Creation Tax Credit 50% for 7 years	Job Creation: 185 New Payroll: \$4,800,000	Jobs Created: 160 New Payroll Generated: \$5,510,442.28	Failure to create jobs	None	ODSA will not pursue a reduction in rate or term as the amount was de minimis
Cristal USA Inc.	Ashtabula / Ashtabula Co.	Job Creation Tax Credit 50% for 6 years	Job Creation: 25 Job Retention: 500 New Payroll: \$1,800,240	Jobs Created: 9 Jobs Retained: 500 New Payroll Generated: \$5,595,342.55	Failure to create jobs	Reduced the term to 3 years, ending January 1, 2016	Approved by the Ohio Tax Credit Authority
Eco-Groupe, Inc., The	Dayton / Montgomery Co.	Job Creation Tax Credit 50% for 6 years	Job Creation: 48 Job Retention: 160 New Payroll: \$1,996,800	Jobs Created: 18 Jobs Retained: 160 New Payroll Generated: \$788,036.97	Failure to create jobs and new payroll	None	Recipient Voluntarily Terminated; Approved by the Ohio Tax Credit Authority
Exterran Energy Solutions, L.P.	Youngstown / Mahoning Co.	Job Creation Tax Credit 55% for 7 years	Job Creation: 103 New Payroll: \$4,900,000	Jobs Created: 99 New Payroll Generated: \$4,163,886	Failure to create new payroll	Reduced the term to 3 years, ending January 1, 2016	Approved by the Ohio Tax Credit Authority
Food Safety Net Services-Ohio, LLC	Columbus / Franklin Co.	Job Creation Tax Credit 45% for 5 years	Job Creation: 40 New Payroll: \$1,300,000	Jobs Created: 14 New Payroll Generated: \$573,118.35	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2016	Approved by the Ohio Tax Credit Authority
H&H Screening and Graphics East, Inc.	Steubenville / Jefferson Co.	Job Creation Tax Credit 45% for 6 years	Job Creation: 125 New Payroll: \$3,500,000	Jobs Created: 26 New Payroll Generated: \$574,513	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2016	Approved by the Ohio Tax Credit Authority
Highlights for Children, Inc.	Columbus / Franklin Co.	Job Creation Tax Credit 45% for 7 years	Job Creation: 50 Job Retention: 164 New Payroll: \$3,848,000	Jobs Created: 17 Jobs Retained: 164 New Payroll Generated: \$1,014,944.67	Failure to create jobs and new payroll	Reduced the term to 5 years, ending December 31, 2017	Approved by the Ohio Tax Credit Authority
IAC Huron, LLC	Huron / Erie Co.	Job Creation Tax Credit 50% for 6 years	Job Creation: 143 Job Retention: 593 New Payroll: \$4,900,000	Jobs Created: 121 Jobs Retained: 593 New Payroll Generated: \$6,532,339	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
LEM Products Holding LLC	Chester / Butler Co.	Job Creation Tax Credit 40% for 6 years	Job Creation: 14 Job Retention: 21 New Payroll: \$670,000	Jobs Created: 16 Jobs Retained: 21 New Payroll Generated: \$317,489	Failure to create new payroll	Reduced the term to 3 years, ending January 1, 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
Mike Albert Leasing, Inc.	Evendale / Hamilton Co.	Job Creation Tax Credit 50% for 3 years followed by 35% for 2 years	Job Creation: 34 Job Retention: 154 New Payroll: \$900,000	Jobs Created: 47 Jobs Retained: 154 New Payroll Generated: \$205,161.67	Failure to create new payroll	Reduced the term to 3 years, ending January 1, 2016	Approved by the Ohio Tax Credit Authority
Minova USA Inc.	South Point / Lawrence Co.	Job Creation Tax Credit 45% for 6 years	Job Creation: 75 Job Retention: 70 New Payroll: \$2,000,000	Jobs Created: 34 Jobs Retained: 70 New Payroll Generated: \$1,288,805	Failure to create jobs and new payroll	Reduced the rate to 40% for years 2016-2018	Approved by the Ohio Tax Credit Authority
MRI Software LLC	Solon and Cleveland / Cuyahoga Co.	Job Creation Tax Credit 60% for 8 years	Job Creation: 115 Job Retention: 230 New Payroll: \$8,100,000	Jobs Created: 87 Jobs Retained: 230 New Payroll Generated: \$9,175,061.69	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
Norlake Manufacturing Company	North Ridgeville / Lorain Co.	Job Creation Tax Credit 40% for 6 years	Job Creation: 30 Job Retention: 85 New Payroll: \$1,800,000	Jobs Created: 5 Jobs Retained: 85 New Payroll Generated: \$477,458.84	Failure to create jobs and new payroll	Reduced the term to 3 years, ending January 1, 2016	Approved by the Ohio Tax Credit Authority
NRI Industrial Sales, LLC	Delta / Fulton Co.	Job Creation Tax Credit 40% for 6 years	Job Creation: 30 New Payroll: \$990,000	Jobs Created: 24 New Payroll Generated: \$716,604.45	Failure to create jobs and new payroll	Reduced the term to 5 years, ending December 31, 2017	Approved by the Ohio Tax Credit Authority
Polaris Sales, Inc.	Wilmington / Clinton Co.	Job Creation Tax Credit 45% for 7 years	Job Creation: 100 New Payroll: \$2,600,000	Jobs Created: 79 New Payroll Generated: \$2,697,261.08	Failure to create jobs	None	ODSA will not pursue a reduction in rate or term due to market conditions
RevLocal, Inc.	Mount Vernon and Granville / Knox and Licking Co.	Job Creation Tax Credit 45% for 3 years followed by 40% for 4 years	Job Creation: 82 Job Retention: 61 New Payroll: \$4,200,000	Jobs Created: 60 Jobs Retained: 61 New Payroll Generated: \$3,802,818.87	Failure to create jobs	Reduced the rate to 35% for years 2016-2019	Approved by the Ohio Tax Credit Authority
Rhinstahl Corporation	Mason / Warren Co.	Job Creation Tax Credit 55% for 6 years	Job Creation: 69 Job Retention: 140 New Payroll: \$6,600,000	Jobs Created: 35 Jobs Retained: 140 New Payroll Generated: \$2,061,676	Failure to create jobs and new payroll	Reduced the term to 5 years, ending December 31, 2017	Approved by the Ohio Tax Credit Authority
Sedgwick Claims Management Services, Inc.	New Albany / Franklin Co.	Job Creation Tax Credit 50% for 5 years	Job Creation: 240 New Payroll: \$9,100,000	Jobs Created: 206 New Payroll Generated: \$7,877,120	Failure to create jobs and new payroll	Reduced the rate to 45% for years 2016-2017	Approved by the Ohio Tax Credit Authority
Technical Rubber Company, Inc.	Johnstown / Licking Co.	Job Creation Tax Credit 35% for 6 years	Job Creation: 29 Job Retention: 223 New Payroll: \$900,000	Jobs Created: 9 Jobs Retained: 223 New Payroll Generated: \$4,275,899.72	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
Total Quality Logistics, LLC	Independence / Cuyahoga Co.	Job Creation Tax Credit 50% for 6 years	Job Creation: 75 New Payroll: \$2,600,000	Jobs Created: 66 New Payroll Generated: \$2,944,642	Failure to create jobs	Reduced the rate to 45% for years 2016-2018	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
USA Vinyl, LLC	Groveport / Franklin Co.	Job Creation Tax Credit 35% for 5 years	Job Creation: 25 Job Retention: 24 New Payroll: \$730,000	Jobs Created: 22 Jobs Retained: 24 New Payroll Generated: \$826,794.84	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
Valued Relationships, Inc.	Franklin / Warren Co.	Job Creation Tax Credit 45% for 7 years	Job Creation: 125 Job Retention: 134 New Payroll: \$3,900,000	Jobs Created: 104 Jobs Retained: 134 New Payroll Generated: \$3,438,035.52	Failure to create jobs and new payroll	None	ODSA will not pursue a reduction in rate or term due to market conditions

Appendix 5: Non-Compliant Loan Award Recipients

Award Recipient	Location	Program Type	Total Amount Received	Commitments	Performance	Reason for Non-Compliance	Loan Status as of 9/28/2016	Remedial Action	Comments
Anomatic Corporation	New Albany / Licking Co.	166 Direct	\$ 2,685,000.00	Job Creation: 185 Job Retention: 645	Jobs Created: 153 Jobs Retained: 645	Failure to create jobs	Current	None	ODSA deemed substantially compliant because Award Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain
Blue Spark Technologies, Inc.	Westlake / Cuyahoga Co.	Innovation Ohio Loan	\$ 825,000.00	Job Creation: 4 Job Retention: 13	Jobs Created: 3 Jobs Retained: 13	Failure to create jobs	Current	None	ODSA deemed substantially compliant because Award Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain
Brand Thunder, L.L.C.	Dublin / Franklin Co.	Innovation Ohio Loan	\$ 975,000.00	Job Creation: 15 Job Retention: 1	Jobs Created: 1 Jobs Retained: 1	Failure to create jobs	Current	ODSA increased the effective interest rate by 3.0% effective 10/1/2016	
Capture Educational Consulting Services, Inc.	New Albany / Franklin Co.	Innovation Ohio Loan	\$ 700,000.00	Job Creation: 18 Job Retention: 8	Jobs Created: 12 Jobs Retained: 8	Failure to create jobs	Current	None	Further action pending compliance with forbearance agreement with ODSA
Garick, LLC	Cleveland / Cuyahoga Co.	166 Direct	\$ 800,000.00	Job Creation: 26 Job Retention: 43	Jobs Created: 22 Jobs Retained: 43	Failure to create jobs	Current	None	ODSA deemed substantially compliant because Award Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain
H&H Screening and Graphics East, Inc.	Steubenville / Jefferson Co.	166 Direct	\$ 637,500.00	Job Creation: 125	Jobs Created: 26	Failure to create jobs	Current	ODSA increased the effective interest rate by 2.0% effective 9/1/2016	
Involta, LLC	Akron / Summit Co.	166 Direct	\$ 945,000.00	Job Creation: 50	Jobs Created: 10	Failure to create jobs	Current	ODSA increased the effective interest rate by 2.0% effective 11/1/2016	
Quad-Star, LLC	Akron / Summit Co.	Regional 166 Direct	\$221,250.00	Job Creation: 5	Jobs Created: 1	Failure to create jobs	Current	ODSA increased the effective interest rate by 1.0% effective 08/01/2016	

Appendix 5 Continued: Non-Compliant Loan Award Recipients

Award Recipient	Location	Program Type	Total Amount Received	Commitments	Performance	Reason for Non-Compliance	Loan Status as of 9/28/2016	Remedial Action	Comments
Stewart Ratcliff Aviation Services, Inc.	Columbus / Franklin Co.	Innovation Ohio Loan	\$ 554,000.00	Job Creation: 8 Job Retention: 7	Jobs Created: 4 Jobs Retained: 7	Failure to create jobs	Paid Off 3/2016	None	No further action due to loan being paid off
Tech-Sonic, Inc.	Columbus / Franklin Co.	Innovation Ohio Loan	\$ 787,500.00	Job Creation: 24 Job Retention: 4	Jobs Created: 5 Jobs Retained: 4	Failure to create jobs	Current	ODSA increased the effective interest rate by 1.0% effective 10/1/2016	
Wireless Environment, LLC	Solon / Cuyahoga Co.	Innovation Ohio Loan	\$ 932,475.00	Job Creation: 20 Job Retention: 2	Jobs Created: 13 Jobs Retained: 2	Failure to create jobs	Current	None	ODSA did not pursue an interest rate increase due to market conditions
<u>Pre-2015 Closeout</u>									
Award Recipient	Location	Program Type	Total Amount Received	Commitments	Performance	Reason for Non-Compliance	Loan Status as of 9/28/2016	Remedial Action	Comments
Franklin County Engineer	Obetz / Franklin Co.	Logistics & Distribution Loan	\$ 7,000,000.00	Job Creation: 44	Jobs Created: 27	Failure to create jobs	Forgiven	None	Loan status was forgiven by ODSA on 8/19/2014 due to determined substantial compliance