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**2017 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 2016 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 2016 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 2016. 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 2016 closeout report if filed by the Award Recipient. ODSA identified 273 awards as having performance periods ending in calendar year 2016. ODSA and the AGO then determined one (1) award did not have a 2016 closeout. The AGO received 272 in-scope award files from ODSA.

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 272 in-scope award files, Award Recipients receiving 213 awards substantially complied (met at least 90% of the commitments) with the terms and conditions of their award agreements, while Award Recipients receiving 59 awards did not comply. This represents an overall compliance rate of 78.3%. The following is a breakdown of the compliance rates for each award category and the specific award programs within those categories.¹

¹ See Appendix 1 for previous years' compliance rates.

Compliance Rates

Overall Compliance Rate	78.3%	(213/272)
• Workforce Compliance Rate²	100%	(11/11)
○ Workforce Training Grant	100%	(10/10)
○ Ohio Workforce Guarantee	100%	(1/1)
• Grant Compliance Rate	89.4%	(110/123)
○ Rapid Outreach	80%	(36/45)
○ Roadwork Development	100%	(58/58)
○ Economic Development Contingency	84.2%	(16/19)
○ Business Investment	0%	(0/1)
• Tax Credit Compliance Rate	68.1%	(62/91)
○ Job Creation Tax Credit	67%	(59/88)
○ Job Retention Tax Credit ³	100%	(3/3)
• Loan Compliance Rate	63.8%	(30/47)
○ 166 Direct	66.7%	(6/9)
○ Regional 166 Direct	94.4%	(17/18)
○ Research & Development Investment	50%	(2/4)
○ Innovation Ohio Loan	16.7%	(2/12)
○ Ohio Enterprise Bond Fund	100%	(2/2)
○ Logistics & Distribution	50%	(1/2)

² 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.

³ 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.”⁴ 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.⁵ 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.⁶

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 2016 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

⁴ Legislative Service Commission, *Final Analysis: Am. Sub. H.B. 420, 127th General Assembly, As Passed by the General Assembly* (2008), pg. 10, available at <https://www.lsc.ohio.gov/documents/gaDocuments/analyses127/08-hb420-127.pdf> (accessed Nov. 14, 2017).

⁵ 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.

⁶ 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.⁷ 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, or the agreed upon metric evaluation date.⁸ 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.⁹

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 (or by the agreed upon metric evaluation 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

⁷ The Job Creation Tax Credit law was amended to a withholdings-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. The Job Creation Tax Credit law was again amended from a withholdings-based program to a payroll-based program in September 2015.

⁸ 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, or by the Metric Evaluation date set forth in the agreements.

⁹ Only Tax Credit award agreements that include the new payroll requirement described in notes 7 and 8 above are reviewed by ODSA and the AGO for payroll performance.

ODSA. If an Award 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 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 2016. ODSA identified 273 awards as having performance periods ending in calendar year 2016.¹⁰ ODSA then determined that one (1) award file did not have a 2016 closeout. The AGO received 272 in-scope award files from ODSA.

Phase Two: Compliance Evaluation

In the second phase of the review, the AGO conducted a detailed compliance review of the 272 in-scope 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 2016 closeout report 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 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.

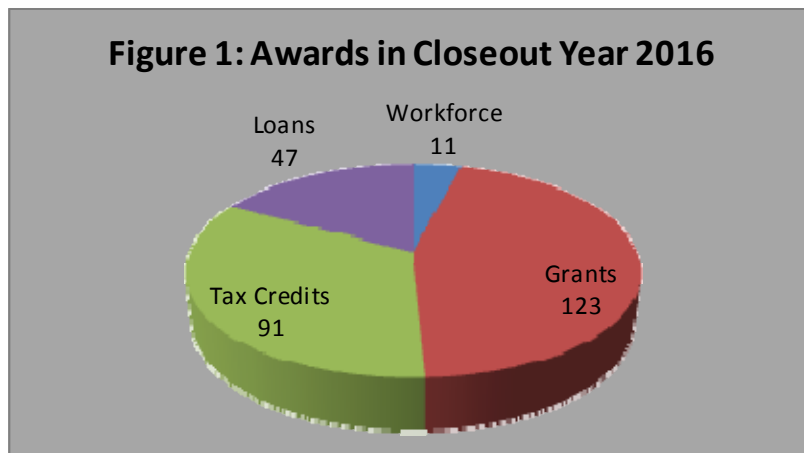
¹⁰ Job Retention Tax Credits do not have a closeout year for performance commitments. Award Recipients must meet their performance commitments every year to remain eligible for the tax credit. For purposes of this report, all Job Retention Tax Credit Award Recipients are considered to have a closeout year every year they are eligible to receive the tax credit and will be reviewed annually.

KEY FINDINGS

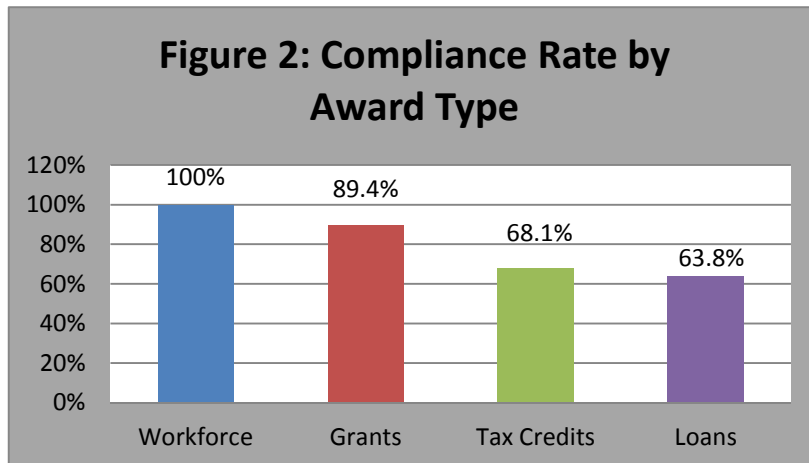
All Awards

The AGO reviewed 272 in-scope economic development awards. The AGO determined that Award Recipients receiving 213 awards had substantially complied with the terms and conditions of their award agreements, whereas Award Recipients receiving 59 awards did not comply, representing an overall compliance rate of **78.3%**. 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 2016 closeout awards by award type:



- Figure 2 details the compliance rate by award type:

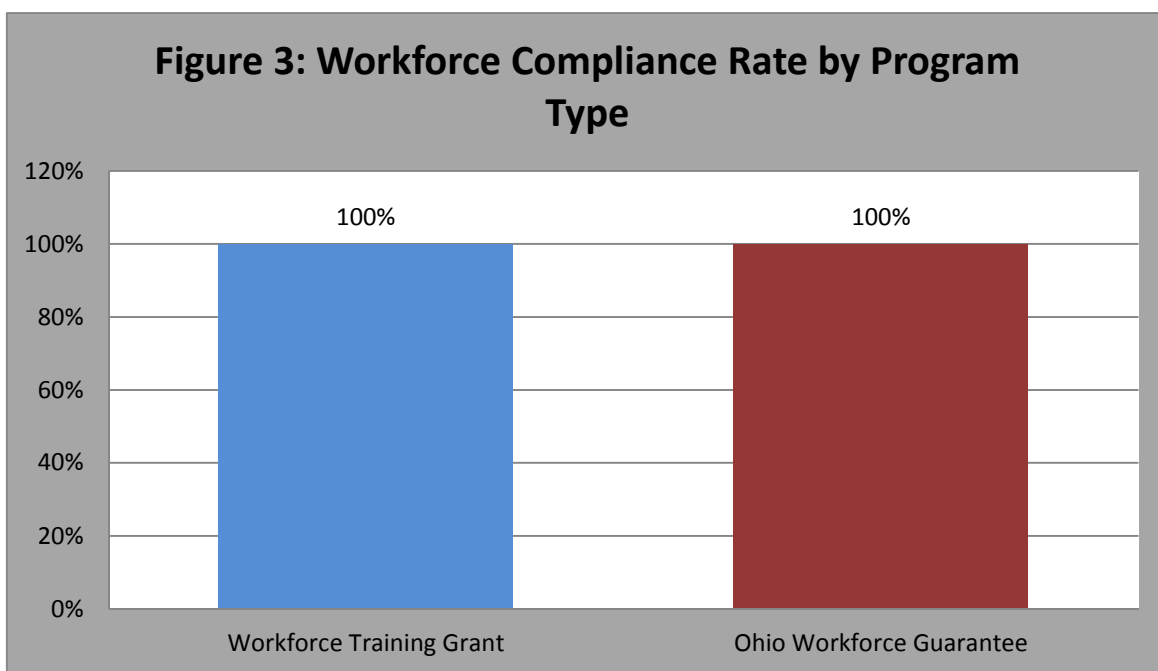


Workforce Awards

Among all active awards administered by ODSA, 11 Workforce Awards, with a total combined value of \$875,500, had a closeout year of 2016. 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.

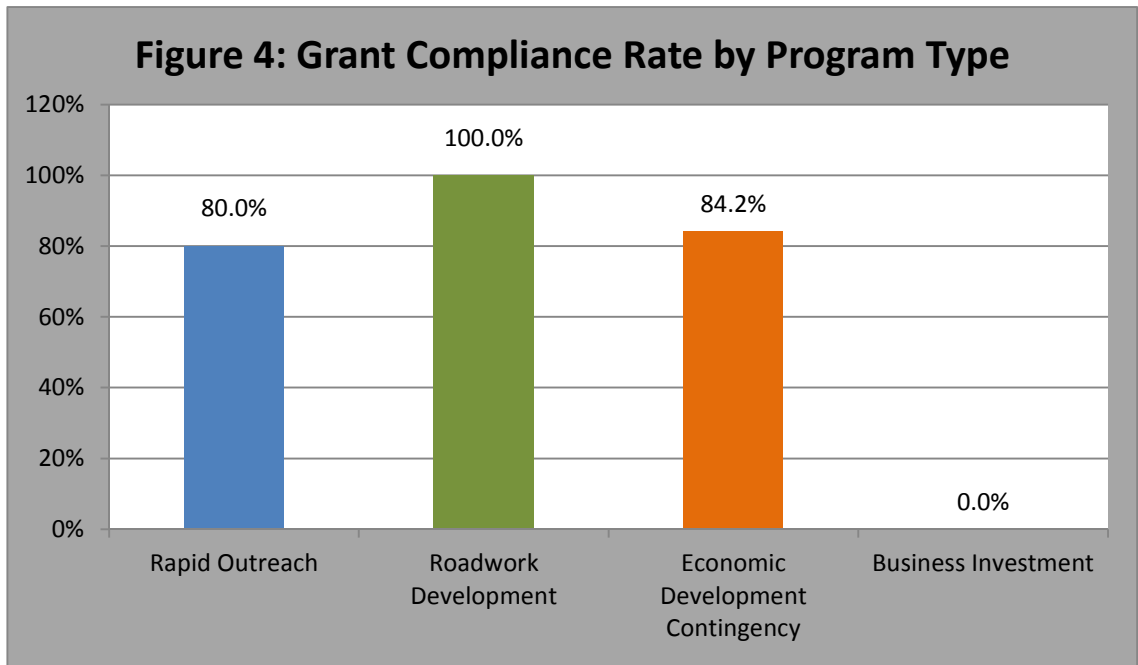
- Figure 3 details the compliance rate of 2016 closeout Workforce awards by program type:



Grant Awards

ODSA awarded 123 Grants with a closeout year of 2016, having a total combined value of over \$47.6 million. The AGO determined that 110 of the Grant Award Recipients had substantially complied with the terms and conditions of their award agreements, and 13 Award Recipients did not comply, representing an overall Grant compliance rate of **89.4%**.

- Figure 4 details the compliance rate of 2016 closeout Grant Awards by program type:

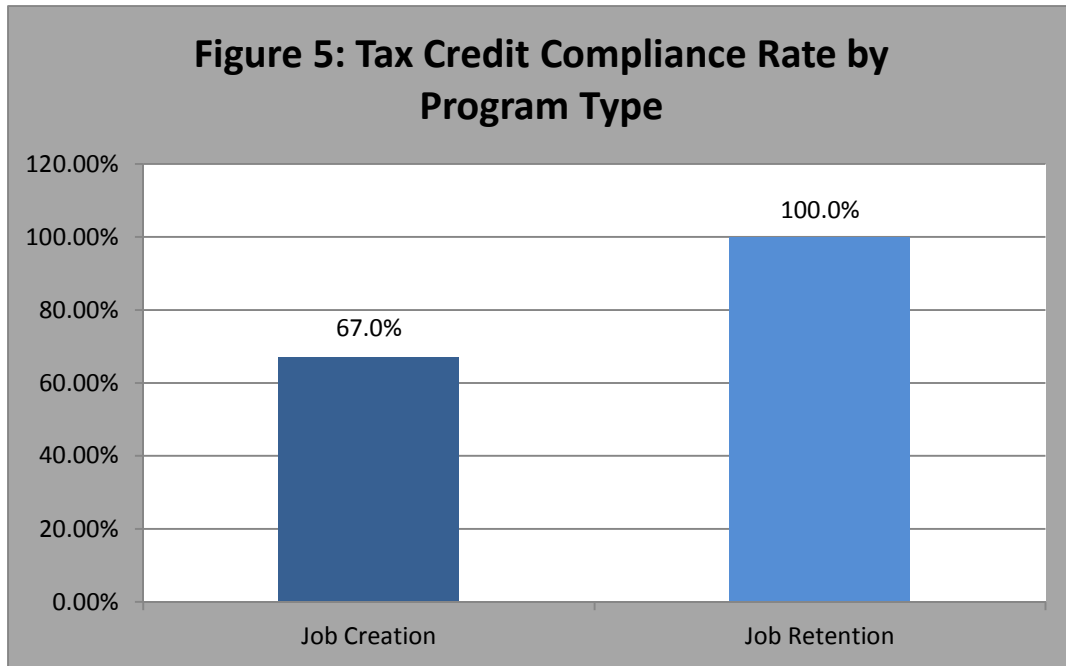


A list of Award Recipients that did not comply with the terms and conditions of their Grant award agreements, as well as the reasons for non-compliance and any remedial actions being taken by ODSA, are attached as Appendix 3.

Tax Credit Awards

ODSA maintained 91 Tax Credit Awards with a closeout year of 2016, having a total initial claimed value of over \$55.4 million.¹¹ The AGO determined that 62 of the Tax Credit Award Recipients had substantially complied with the terms and conditions of their award agreements, and 29 Award Recipients did not comply, resulting in an overall Tax Credit award compliance rate of **68.1%**.

- Figure 5 details the compliance rate of 2016 closeout Tax Credit Awards by program type:



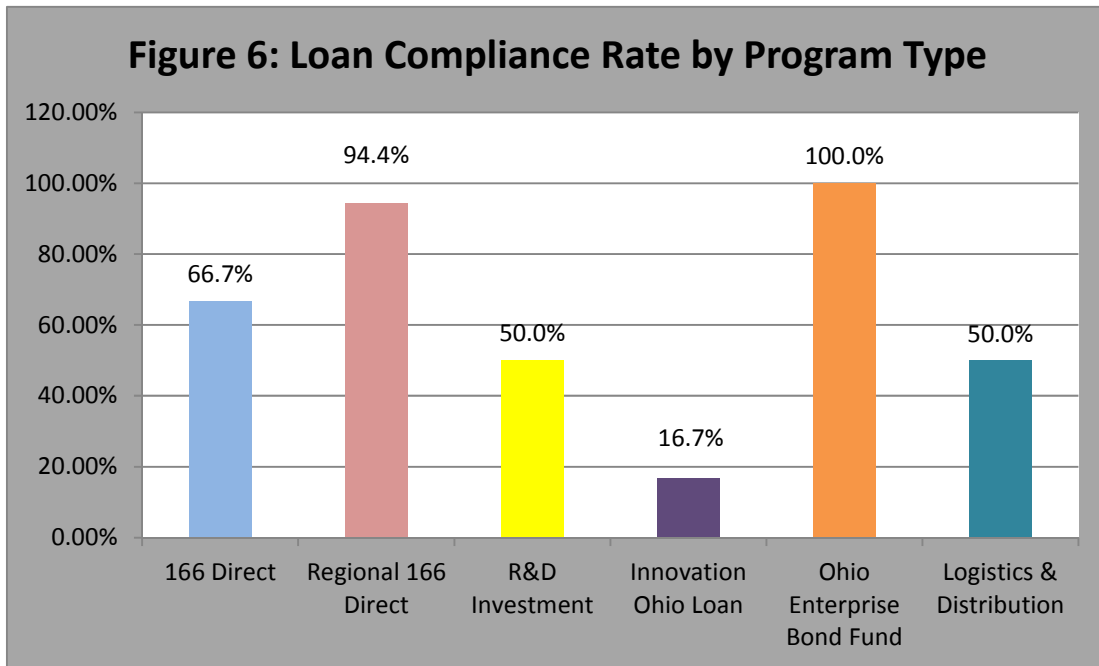
A list of Award Recipients that did not comply with the terms and conditions, including certain performance metrics, of their Tax Credit award agreements, as well as the reasons for non-compliance and any remedial actions being taken by ODSA, are attached as Appendix 4.

¹¹ Only Tax Certificates that were provided by ODSA prior to September 14, 2017 were reviewed. Additional Tax Certificates issued in 2017 may increase this value.

Loan Awards

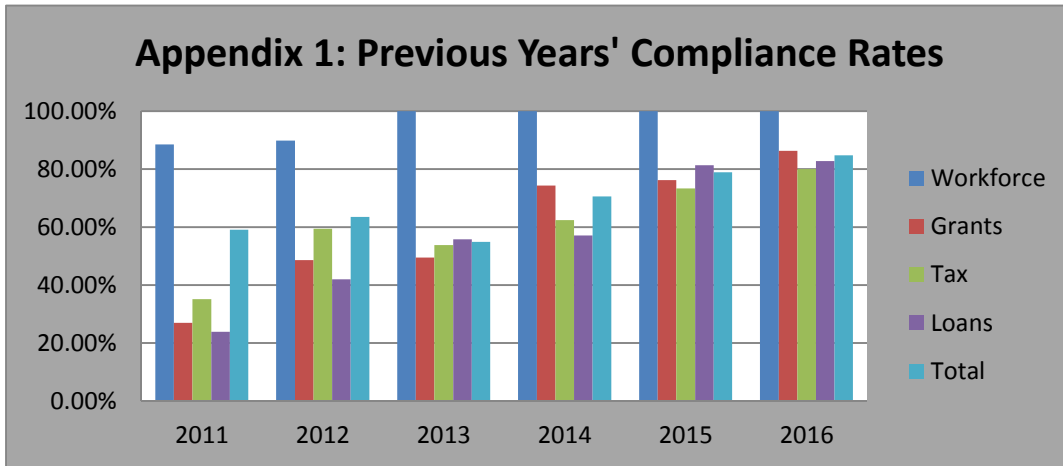
ODSA awarded 47 Loans with a closeout year of 2016, having a total combined value of over \$77.6 million. The AGO determined that 30 of the Loan Award Recipients had substantially complied with the terms and conditions of their award agreements, specifically the job creation and job retention commitments, and 17 Loan Award Recipients did not comply, representing an overall Loan compliance rate of **63.8%**.

- Figure 6 details the compliance rate of 2016 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



2016 Report Compliance Rates

Overall Compliance Rate	84.8%	(279/329)
• Workforce Compliance Rate¹²	100%	(33/33)
○ Workforce Training Grant	100%	(20/20)
○ Ohio Workforce Guarantee	100%	(13/13)
• Grant Compliance Rate	86.3%	(101/117)
○ Rapid Outreach	75%	(39/52)
○ Roadwork Development	100%	(41/41)
○ Economic Development Contingency	88.9%	(16/18)
○ Business Investment	83.3%	(5/6)
• Tax Credit Compliance Rate	80%	(92/115)
○ Job Creation Tax Credit	79.6%	(90/113)
○ Job Retention Tax Credit ¹³	100%	(2/2)
• Loan Compliance Rate	82.8%	(53/64)
○ 166 Direct	77.8%	(14/18)
○ Regional 166 Direct	95.7%	(22/23)
○ Research & Development Investment	100%	(4/4)
○ Innovation Ohio Loan	33.3%	(3/9)
○ Ohio Enterprise Bond Fund	100%	(5/5)
○ Minority Business Direct Fund	100%	(1/1)
○ Logistics & Distribution	100%	(4/4)

¹² 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.

¹³ Job Retention Tax Credits do not have a closeout year for performance commitments.

2015 Report Compliance Rates

Overall Compliance Rate	78.9%	(269/341)
• Workforce Compliance Rate¹⁴	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 ¹⁵	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)

2014 Report Compliance Rates

Overall Compliance Rate	70.6%	(180/255)
• Workforce Compliance Rate¹⁶	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)

¹⁴ 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.

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

¹⁶ 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.

• Tax Credit Compliance Rate	62.4%	(78/125)
○ Job Creation Tax Credit ¹⁷	59.8%	(70/117)
○ Job Retention Tax Credit ¹⁸	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)

2013 Report Compliance Rates

Overall Compliance Rate	54.9%	(146/266)
• Workforce Compliance Rate¹⁹	100%	(14/14)
○ Appalachian Training Investment	100%	(2/2)
○ Ohio Workforce Guarantee	100%	(12/12)
• Grant Compliance Rate	49.5%	(52/105)
○ Rapid Outreach	50%	(34/68)
○ Roadwork Development	46.4%	(13/28)
○ Economic Development Contingency	55.6%	(5/9)
• Tax Credit Compliance Rate	53.8%	(56/104)
○ Job Creation Tax Credit	52.9%	(54/102)
○ Job Retention Tax Credit ²⁰	100%	(2/2)
• Loan Compliance Rate²¹	55.8%	(24/43)
○ 166 Direct	27.2%	(3/11)
○ Regional 166 Direct	80%	(16/20)
○ Research & Development Investment	50%	(1/2)
○ Innovation Ohio Loan	16.7%	(1/6)
○ Pioneer Rural Loan	0%	(0/1)
○ Other/Combination	100%	(3/3)

¹⁷ The Job Creation Tax Credit compliance rate includes four (4) 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.

¹⁸ Job Retention Tax Credits do not have a closeout year for performance commitments.

¹⁹ 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.

²⁰ Job Retention Tax Credits do not have a closeout year for performance commitments.

²¹ The Loan compliance rate includes one (1) 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)
• Workforce Compliance Rate ²²	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 ²³	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)

²² The Workforce compliance rate includes ten (10) Award Recipients that trained fewer workers than promised and were therefore reimbursed proportionately to the number of workers trained.

²³ The Tax Credit compliance rate includes one (1) 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 20, 2017

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

Dear Attorney General DeWine:

I am pleased to report another successful year of compliance with job creation commitments in the state of Ohio. Overall, businesses created 111% of the job creation commitments due by December 31, 2016.

Thank you and your staff for the thorough and professional review of economic development incentives. The staff at the Ohio Development Services Agency continues to make improvements to closely monitor when public money is offered as incentive and increase accountability through tighter monitoring of incentives while improving customer service.

While we are always looking for ways to improve compliance, from time to time businesses may fall short on their commitments, due to unanticipated factors. In those cases, the Development Services Agency is proportionally reducing benefits or clawing back awards that have been made.

When public resources are used, the Development Services Agency ensures individuals, businesses and communities fulfill their promises of job creation, capital investment or community development and enrichment. This kind of accountability for public money is a responsibility I take very seriously.

David Goodman
Director

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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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
AdvancePierre Foods, Inc.	Amherst / Lorain Co.	Rapid Outreach	\$ 170,000.00	Job Creation: 452 Job Retention: 101	Job Creation: 308 Job Retention: 101	Failure to create jobs	None	ODSA considers compliant because disbursement amount is equal to the level of jobs created.
BEF Management, Inc.	New Albany / Franklin Co.	Rapid Outreach	\$ 250,000.00	Job Creation: 150 Job Retention: 381	Job Creation: 33 Job Retention: 381	Failure to create jobs	None	Action combined with Loan and Tax incentives
Eaton Corporation	Beachwood / Cuyahoga Co.	Rapid Outreach	\$6,000,000.00	Job Creation: 177 Job Retention: 440	Job Creation: 147 Job Retention: 440	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.
Exterran Energy Solutions, L.P.	Youngstown / Mahoning Co.	Rapid Outreach	\$ 300,000.00	Job Creation: 100	Job Creation: 2	Failure to create jobs	ODSA assessed clawback of \$200,000	Recipient paid in full on 6/6/2017
idX Dayton, LLC	Dayton / Montgomery Co.	BIG Business Investment	\$ 42,500.00	Job Creation: 36 Job Retention: 110	Job Creation: 31 Job Retention: 110	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.
Johns Manville	Milan / Erie Co.	Rapid Outreach	\$ 327,000.00	Job Creation: 67 Job Retention: 22	Job Creation: 58 Job Retention: 22	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.
MAC LTT, Inc.	Kent / Portage Co.	Rapid Outreach	\$ 75,000.00	Job Creation: 200 Job Retention: 3	Job Creation: 108 Job Retention: 3	Failure to create jobs	ODSA assessed clawback of \$11,333	Recipient paid in full on 6/27/2017
Momentive Performance Materials Quartz, Inc	Columbus and Gahanna / Franklin Co.; Hebron / Licking Co.; Strongsville and Richmond Heights / Cuyahoga Co.	Rapid Outreach	\$ 250,000.00	Job Creation: 120 Job Retention: 780	Job Creation: 13 Job Retention: 780	Failure to create jobs	ODSA assessed clawback of \$20,000	Recipient paid in full on 9/26/2017
Mountaineer Products, Inc.	Bellaire / Belmont Co.	Economic Development Contingency	\$ 80,000.00	Job Creation: 73 Job Retention: 2	Job Creation: 23 Job Retention: 2	Failure to create jobs	ODSA assessed clawback of \$30,000	Recipient is repaying in monthly payments according to schedule
Republic Steel	Lorain / Lorain Co.	Economic Development Contingency	\$ 500,000.00	Job Creation: 449 Job Retention: 100	Job Creation: 0 Job Retention: 0	Failure to create and retain jobs	ODSA assessed clawback of \$166,667	Past due - Awaiting payment
Roppe Corporation	Fostoria / Seneca Co.	Rapid Outreach	\$ 25,000.00	Job Creation: 33 Job Retention: 306	Job Creation: 0 Job Retention: 298	Failure to create jobs	ODSA assessed clawback of \$25,000	ODSA also considers Recipient noncompliant for failure to retain jobs; Recipient paid in full on 7/17/2017
Vallourec Star, LP (fka V&M Star, LP)	Girard / Trumbull Co.; Youngstown / Mahoning Co.	Rapid Outreach	\$1,067,037.00	Job Creation: 350 Job Retention: 439	Job Creation: 177 Job Retention: 439	Failure to create jobs	ODSA assessed clawback of \$66,000 for both Grants	Recipient paid in full on 9/25/2017
Vallourec Star, LP (fka V&M Star, LP)	Girard / Trumbull Co.; Youngstown / Mahoning Co.	Economic Development Contingency	\$ 432,963.00	Job Creation: 350 Job Retention: 439	Job Creation: 177 Job Retention: 439	Failure to create jobs	ODSA assessed clawback of \$66,000 for both Grants	Recipient paid in full on 9/25/2017

Appendix 4: Non-Compliant Tax Credit Award Recipients

Award Recipient	Location	Program Type	Commitments	Performance	Reason for Non-Compliance	Remedial Action	COMMENTS
Acumen Solutions, Inc.	Seven Hills / Cuyahoga Co.	Job Creation Tax Credit 50% for 7 years	Job Creation: 122 New Payroll: \$9,769,760	Job Creation: 149 New Payroll Generated: \$8,218,370	Failure to create new payroll	Reduced the term to 5 years, ending 1/1/2017	Approved by the Ohio Tax Credit Authority
Aurora Plastics, Inc.	Streetsboro / Portage Co.	Job Creation Tax Credit 1.337% for 5 years	Job Creation: 19 Job Retention: 51 New Payroll: \$1,471,000	Job Creation: 11 Job Retention: 51 New Payroll Generated: \$9,409,850	Failure to create jobs	None	ODSA will not pursue a reduction in rate or term due to market conditions
BEF Management, Inc.	New Albany / Franklin Co.	Job Creation Tax Credit 70% for 10 years	Job Creation: 150 Job Retention: 360 New Payroll: \$7,200,000	Job Creation: 54 Job Retention: 360 New Payroll Generated: \$19,411,668	Failure to create jobs	None	Recipient Voluntarily Terminated; Approved by the Ohio Tax Credit Authority
Clinical Outcomes Management Systems	Broadview Heights / Cuyahoga Co.	Job Creation Tax Credit 45% for 6 years	Job Creation: 119 Job Retention: 25 New Payroll: \$8,700,000	Job Creation: 2 Job Retention: 25 New Payroll Generated: \$743,803	Failure to create jobs and new payroll	Reduced the term to 3 years, ending 1/1/2017	Approved by the Ohio Tax Credit Authority
Comcast Enterprise Services, LLC (fka Contingent Network Services, LLC)	West Chester / Butler Co.	Job Creation Tax Credit 45% for 6 years	Job Creation: 75 Job Retention: 120 New Payroll: \$3,400,000	Job Creation: 83 Job Retention: 120 New Payroll Generated: \$1,251,658	Failure to create new payroll	Reduced the term to 5 years, ending 12/31/2018	Approved by the Ohio Tax Credit Authority
Consolidated Metco, Inc.	Chillicothe / Ross Co.	Job Creation Tax Credit 1.238% for 5 years	Job Creation: 55 New Payroll: \$2,335,906	Job Creation: 46 New Payroll Generated: \$1,652,226.06	Failure to create jobs and new payroll	Reduced the rate to 1.100% for years 2017 to 2018	Approved by the Ohio Tax Credit Authority
ECS Tuning, Inc.	Wadsworth / Medina Co.	Job Creation Tax Credit 50% for 7 years	Job Creation: 105 Job Retention: 110 New Payroll: \$3,434,578	Job Creation: 83 Job Retention: 110 New Payroll Generated: \$4,579,374.13	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
Edgerton Forge Inc.	Edgerton / Williams Co.	Job Creation Tax Credit 35% for 7 years	Job Creation: 25 Job Retention: 52 New Payroll: \$1,000,000	Job Creation: 25 Job Retention: 52 New Payroll Generated: \$838,491	Failure to create new payroll	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of payroll it agreed to create and retain
Eloquii Design, Inc.	Columbus / Franklin Co.	Job Creation Tax Credit 2.017% for 7 years	Job Creation: 40 Job Retention: 6 New Payroll: \$4,510,000	Job Creation: 16 Job Retention: 6 New Payroll Generated: \$1,476,424	Failure to create jobs and new payroll	Reduced the term to 6 years, and the rate to 1.614% for years 2017 to 2019	Approved by the Ohio Tax Credit Authority
Greenville Technology, Inc.	Marysville / Union Co.	Job Creation Tax Credit 50% for 8 years	Job Creation: 50 Job Retention: 32 New Payroll: \$2,750,800	Job Creation: 32 Job Retention: 32 New Payroll Generated: \$3,291,185.96	Failure to create jobs	Reduced the rate to 45% for years 2017 to 2021	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
Gwynnie Bee, Inc & JT/SG Enterprises	Groveport / Franklin Co.	Job Creation Tax Credit 1.468% for 9 years	Job Creation: 401 New Payroll: \$13,278,554	Job Creation: 161 New Payroll Generated: \$3,850,988.95	Failure to create jobs and new payroll	Reduced the term to 7 years, and the rate to 1.101% for years 2017 to 2020	Approved by the Ohio Tax Credit Authority
Healthcare Regional Marketing, LLC	Cincinnati / Clermont Co.	Job Creation Tax Credit 40% for 5 years	Job Creation: 30 Job Retention: 21 New Payroll: \$1,349,712	Job Creation: 25 Job Retention: 21 New Payroll Generated: \$1,023,214.57	Failure to create jobs and new payroll	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs and payroll it agreed to create and retain
International Business Machines Corporation	Dublin / Franklin Co.	Job Creation Tax Credit 60% for 8 years	Job Creation: 500 Job Retention: 671 New Payroll: \$45,800,000	Job Creation: 186 Job Retention: 671 New Payroll Generated: \$22,527,862	Failure to create jobs and new payroll	None	Recipient Voluntarily Terminated; Approved by the Ohio Tax Credit Authority
Interstate Warehousing of Ohio, LLC	Hamilton / Butler Co.	Job Creation Tax Credit 40% for 7 years	Job Creation: 25 Job Retention: 186 New Payroll: \$900,000	Job Creation: 0 Job Retention: 160 New Payroll Generated: \$1,399,389.99	Failure to create and retain jobs	Reduced the term to 3 years, ending 1/1/2017	Approved by the Ohio Tax Credit Authority
Just Packaging Inc.	Toledo / Lucas Co.	Job Creation Tax Credit 0.953% for 7 years	Job Creation: 30 Job Retention: 8 New Payroll: \$936,000	Job Creation: 18 Job Retention: 8 New Payroll Generated: \$195,191.62	Failure to create jobs, meet minimum wage, and create new payroll; Incomplete report	Reduced the term to 3 years, ending 1/1/2017	Approved by the Ohio Tax Credit Authority
Koch Foods of Cincinnati LLC	Fairfield / Butler Co.	Job Creation Tax Credit 55% for 6 years	Job Creation: 364 Job Retention: 730 New Payroll: \$9,426,144	Job Creation: 241 Job Retention: 730 New Payroll Generated: \$13,167,736	Failure to create jobs	Reduced the rate to 50% for years 2017 to 2019	Approved by the Ohio Tax Credit Authority
Lighthouse Insurance Group LLC	Independence / Cuyahoga Co.	Job Creation Tax Credit 1.119% for 5 years	Job Creation: 75 Job Retention: 45 New Payroll: \$3,375,000	Job Creation: 38 Job Retention: 45 New Payroll Generated: \$2,589,007.41	Failure to create jobs and new payroll	Reduced the rate to 0.945% for years 2017 to 2018	Approved by the Ohio Tax Credit Authority
Manufacturing Business Development Solutions, LLC	Upper Sandusky / Wyandot Co.	Job Creation Tax Credit 40% for 6 years	Job Creation: 40 New Payroll: \$915,200	Job Creation: 48 New Payroll Generated: \$1,007,120	Failure to meet minimum wage	Reduce the term to 3 years, ending 1/1/2017	Approved by the Ohio Tax Credit Authority
Matrix Technologies, Inc.	Maumee / Lucas Co.	Job Creation Tax Credit 50% for 6 years	Job Creation: 75 Job Retention: 169 New Payroll: \$4,875,000	Job Creation: 33 Job Retention: 169 New Payroll Generated: \$12,550,372.31	Failure to create jobs	Reduced the rate to 45% for years 2017 to 2019	On April 25, 2016, the Ohio Tax Credit Authority approved a payroll conversion to a payroll rate of 1.598% for 6 years. ODSA will reduce this payroll rate to 1.358% for years 2017 to 2019. Approved by the Ohio Tax Credit Authority
Mohawk Fine Papers Inc.	Ashtabula / Ashtabula Co.	Job Creation Tax Credit 1.191% for 7 years	Job Creation: 100 Job Retention: 139 New Payroll: \$3,120,000	Job Creation: 77 Job Retention: 139 New Payroll Generated: \$3,515,628	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 4 Continued: Non-Compliant Tax Credit Award Recipients

Award Recipient	Location	Program Type	Commitments	Performance	Reason for Non-Compliance	Remedial Action	COMMENTS
Park Place Technologies, Inc.	Mayfield Heights / Cuyahoga Co.	Job Creation Tax Credit 50% for 8 years	Job Creation: 168 Job Retention: 82 New Payroll: \$15,300,000	Job Creation: 109 Job Retention: 82 New Payroll Generated: \$10,531,133.35	Failure to create jobs and new payroll	Reduced the rate to 35% for years 2017 to 2018	Approved by the Ohio Tax Credit Authority
Praxair Distribution, Inc.	Wilmington / Clinton Co.	Job Creation Tax Credit 40% for 6 years	Job Creation: 25 New Payroll: \$1,092,000	Did not file annual report	Early termination	Reduced the term to 3 years, ending 1/1/2017	Terminated 1/1/2017
Print Syndicate, Inc.	Columbus and Grandview Heights / Franklin Co.	Job Creation Tax Credit 45% for 5 years	Job Creation: 150 Job Retention: 15 New Payroll: \$5,616,000	Job Creation: 52 Job Retention: 15 New Payroll Generated: \$2,437,767.73	Failure to create jobs and new payroll	Reduced the rate to 40% for years 2017 to 2018	Approved by the Ohio Tax Credit Authority
Robert Rothschild Farms, LLC	Urabana / Champaign Co.	Job Creation Tax Credit 40% for 5 years	Job Creation: 25 Job Retention: 51 New Payroll: \$1,250,080	Job Creation: 0 Job Retention: 44 New Payroll Generated: \$0	Failure to create and retain jobs, and create new payroll	Reduced the term to 3 years, ending 1/1/2017	Approved by the Ohio Tax Credit Authority
Selman & Company, LLC	Mayfield Heights / Cuyahoga Co.	Job Creation Tax Credit 1.098% for 5 years	Job Creation: 40 Job Retention: 83 New Payroll: \$1,740,000	Job Creation: 33 Job Retention: 83 New Payroll Generated: \$1,109,724.08	Failure to create jobs and new payroll	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs and payroll it agreed to create and retain
Systecon Inc.	West Chester / Butler Co.	Job Creation Tax Credit 35% for 5 years	Job Creation: 18 Job Retention: 64 New Payroll: \$810,000	Job Creation: 14 Job Retention: 64 New Payroll Generated: \$1,343,225.80	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
Trubridge Inc.	North Canton / Stark Co.	Job Creation Tax Credit 0.796% for 5 years	Job Creation: 76 Job Retention: 154 New Payroll: \$2,500,000	Job Creation: 27 Job Retention: 154 New Payroll Generated: \$2,002,247	Failure to create jobs and new payroll	Reduced the rate to 0.717% for years 2017 to 2018	Approved by the Ohio Tax Credit Authority
VXI Global Solutions, LLC	Forest Park / Hamilton Co.	Job Creation Tax Credit 45% for 5 years	Job Creation: 200 New Payroll: \$4,526,080	Job Creation: 125 New Payroll Generated: \$3,618,237	Failure to create jobs and new payroll	Reduced the rate to 40% for years 2017 to 2018	Approved by the Ohio Tax Credit Authority
WHAPPS LLC	Cincinnati / Hamilton Co.	Job Creation Tax Credit 1.405% for 6 years	Job Creation: 18 Job Retention: 26 New Payroll: \$1,080,000	Jobs Created: 14 Jobs Retained: 26 New Payroll Generated: \$1,385,511.11	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 5: Non-Compliant Loan Award Recipients

Award Recipient	Location	Program Type	Total Amount Received	Commitments	Performance	AG Compliance	Loan Status as of 9/28/17	Remedial Action	Comments
Argus International, Inc	Columbus / Franklin Co.	Innovation Ohio Loan	\$ 1,200,000.00	Job Creation: 12 Job Retention: 6	Job Creation: 8 Job Retention: 6	Failure to create jobs	Current	ODSA increased the effective interest rate by 1% effective 8/1/2017	
Batterii, LLC	Cincinnati / Hamilton Co.	Innovation Ohio Loan	\$ 600,000.00	Job Creation: 13 Job Retention: 9	Job Creation: 6 Job Retention: 9	Failure to create jobs	Current	ODSA increased the effective interest rate by 1% effective 12/1/2017	
BEF Management, Inc.	New Albany / Franklin Co.	Reasearch & Development Investment Loan	\$ 3,000,000.00	Job Creation: 150 Job Retention: 360	Job Creation: 54 Job Retention: 360	Failure to create jobs	Current	None	Company has agreed to pay off balance of loan by 12/31/2017
Biosortia Pharmaceuticals, Inc. (fka AlgaeVenture Systems, Inc.)	City of Marysville / Union Co.	Reasearch & Development Investment Loan	\$ 1,499,949.60	Job Creation: 90 Job Retention: 20	Job Creation: 0 Job Retention: 5	Failure to create and retain jobs	Current	ODSA increased the effective interest rate by 3% effective 8/1/2017	
Clinical Outcomes Management Systems, LLC	Broadview Heights / Cuyahoga Co.	Innovation Ohio Loan	\$ 650,000.00	Job Creation: 20 Job Retention: 55	Job Creation: 0 Job Retention: 27	Failure to create and retain jobs	Current	ODSA increased the effective interest rate by 3% effective 9/1/2017	
Endosphere, Inc.	Columbus / Franklin Co.	Innovation Ohio Loan	\$ 1,000,000.00	Job Creation: 22 Job Retention: 2	Job Creation: 0 Job Retention: 1	Failure to create and retain jobs	Current	ODSA increased the effective interest rate by 3% effective 10/1/2017	
Geo-Tech Polymers, LLC	Waverly / Pike Co.	166 Direct	\$ 1,142,899.49	Job Creation: 50	Job Creation: 32	Failure to create jobs	Current	None	ODSA did not pursue an interest rate increase due to market conditions
Kent Displays, Inc.	Kent / Portage Co.	Innovation Ohio Loan	\$ 2,000,000.00	Job Creation: 40 Job Retention: 90	Job Creation: 0 Job Retention: 88	Failure to create jobs	Current	ODSA increased the effective interest rate by 1% effective 11/1/2017	ODSA also considers Recipient noncompliant for failure to meet 100% of the retention commitment
MIC-RIC, LLC	Akron / Summit Co.	Regional 166 Direct	\$ 170,000.00	Job Creation: 21	Job Creation: 16	Failure to create jobs	Current	ODSA increased the effective interest rate by 1% effective 1/1/2018	
Mountaineer Products, Inc.	Bellaire / Belmont Co.	166 Direct	\$ 750,000.00	Job Creation: 73 Job Retention: 2	Job Creation: 23 Job Retention: 2	Failure to create jobs	Paid Off	ODSA increased the effective interest rate by 1% effective 2/1/2017	No further action due to loan pay off on 1/31/2017

Appendix 5 Continued: Non-Compliant Loan Award Recipients

Award Recipient	Location	Program Type	Total Amount Received	Commitments	Performance	AG Compliance Reason	Loan Status as of 9/28/17	Remedial Action	Comments
Mountaineer Products, Inc.	Bellaire / Belmont Co.	Logistics & Distribution Loan	\$ 2,000,000.00	Job Creation: 73 Job Retention: 2	Job Creation: 23 Job Retention: 2	Failure to create jobs	Forgiven	None	Per the contract Loan was forgiven by ODSA on 6/4/2013 due to completion of the project
MOVband, LLC	Brecksville / Cuyahoga Co.	Innovation Ohio Loan	\$ 825,000.00	Job Retention: 14	Job Retention: 9	Failure to retain jobs	Current	ODSA increased the effective interest rate by 1% effective 11/1/2017	
PRC Medical, LLC	Green Township / Summit Co.	Innovation Ohio Loan	\$ 1,700,000.00	Job Creation: 126 Job Retention: 60	Job Creation: 0 Job Retention: 57	Failure to create jobs	Current	ODSA increased the effective interest rate by 3% effective 11/1/2017	ODSA considers noncompliant for failure to meet 100% of the retention commitment
Spearfysh, Inc.	Twinsburg / Summit Co.	Innovation Ohio Loan	\$ 800,000.00	Job Creation: 15	Job Creation: 9	Failure to create jobs	Past Due	ODSA increased the effective interest rate by 1% effective 12/1/2017	ODSA certified payment to the AGO for collection
TNCC, LLC	Steubenville / Jefferson Co.	166 Direct	\$ 1,000,000.00	Job Creation: 15 Job Retention: 30	Job Creation: 7 Job Retention: 30	Failure to create jobs	Current	None	ODSA did not pursue an interest rate increase due to market conditions
VeDiscovery, LLC	Cleveland / Cuyahoga Co.	Innovation Ohio Loan	\$ 750,000.00	Job Creation: 20 Job Retention: 7	Job Creation: 5 Job Retention: 7	Failure to create jobs	Current	ODSA increased the effective interest rate by 2% effective 11/1/2017	
Zipscene, LLC	Cincinnati / Hamilton Co.	Innovation Ohio Loan	\$ 1,000,000.00	Job Creation: 47 Job Retention: 24	Job Creation: 0 Job Retention: 17	Failure to create and retain jobs	Past Due	ODSA increased the effective interest rate by 2% effective 12/1/2017	ODSA is in discussions with the Borrower regarding past due amount