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**2018 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 2017 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 percent 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 2017 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 2017. 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 2017 closeout report if filed by the Award Recipient. ODSA identified 188 awards as having performance periods ending in calendar year 2017. ODSA then determined two (2) awards did not have a 2017 closeout. The AGO received 186 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 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 186 in-scope award files, Award Recipients receiving 145 awards substantially complied (met at least 90 percent of the commitments) with the terms and conditions of their award agreements, while Award Recipients receiving 41 awards did not comply. This represents an overall compliance rate of 78 percent. The following is a breakdown of the compliance rates for each award category and the specific award programs within those categories.<sup>1</sup>

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<sup>1</sup> See Appendix 1 for previous years' compliance rates.

## Compliance Rates

<b>Overall Compliance Rate</b>	<b>78%</b>	<b>(145/186)</b>
• <b>Workforce Compliance Rate</b>	<b>100%</b>	<b>(3/3)</b>
○ Workforce Training Grant	100%	(2/2)
○ Ohio Workforce Guarantee	100%	(1/1)
• <b>Grant Compliance Rate</b>	<b>100%</b>	<b>(42/42)</b>
○ Rapid Outreach	100%	(4/4)
○ Roadwork Development	100%	(32/32)
○ Economic Development Contingency	100%	(4/4)
○ Business Investment	100%	(2/2)
• <b>Tax Credit Compliance Rate</b>	<b>75.5%</b>	<b>(71/94)</b>
○ Job Creation Tax Credit	75.5%	(71/94)
• <b>Loan Compliance Rate</b>	<b>61.7%</b>	<b>(29/47)</b>
○ 166 Direct	63.6%	(7/11)
○ Regional 166 Direct	83.3%	(10/12)
○ Research & Development Investment	60%	(3/5)
○ Innovation Ohio Loan	11.1%	(1/9)
○ Ohio Enterprise Bond Fund	85.7%	(6/7)
○ Logistics & Distribution	100%	(2/2)
○ Minority Business Direct Fund	0%	(0/1)

## BACKGROUND

In December 2008, the 127<sup>th</sup> 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.”<sup>2</sup> 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.<sup>3</sup> 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.<sup>4</sup>

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 2017 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

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<sup>2</sup> Legislative Service Commission, *Final Analysis: Am. Sub. H.B. 420, 127<sup>th</sup> 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).

<sup>3</sup> R.C. 125.112(G) was amended by the 131<sup>st</sup> 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.

<sup>4</sup> 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.<sup>5</sup> 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.<sup>6</sup> 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.<sup>7</sup>

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

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<sup>5</sup> 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.

<sup>6</sup> 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.

<sup>7</sup> Only Tax Credit award agreements that include the new payroll requirement described in notes 5 and 6 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 2017. ODSA identified 188 awards as having performance periods ending in calendar year 2017. ODSA then determined that two (2) award files did not have a 2017 closeout. The AGO received 186 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 186 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 2017 closeout report if filed by the Award Recipient.

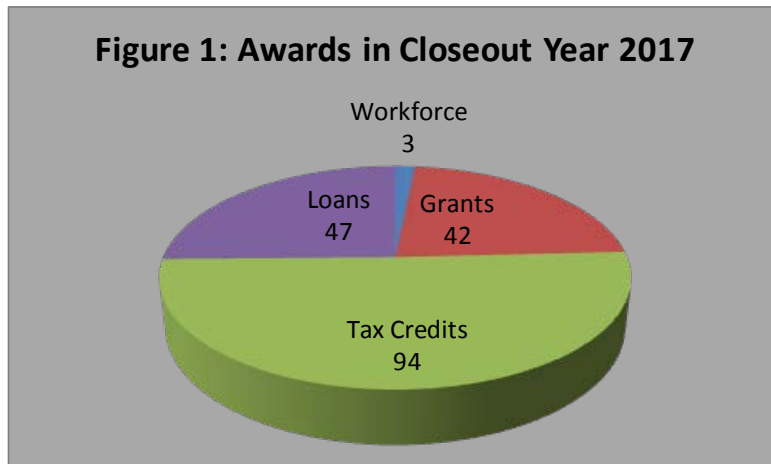
This compliance review took place over a six (6) month period and also involved discussions with ODSA to answer any questions the reviewer had or provide any missing documentation needed for the reviews. All non-compliant results were then shared with ODSA. The AGO also requested the results of ODSA's 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.

## KEY FINDINGS

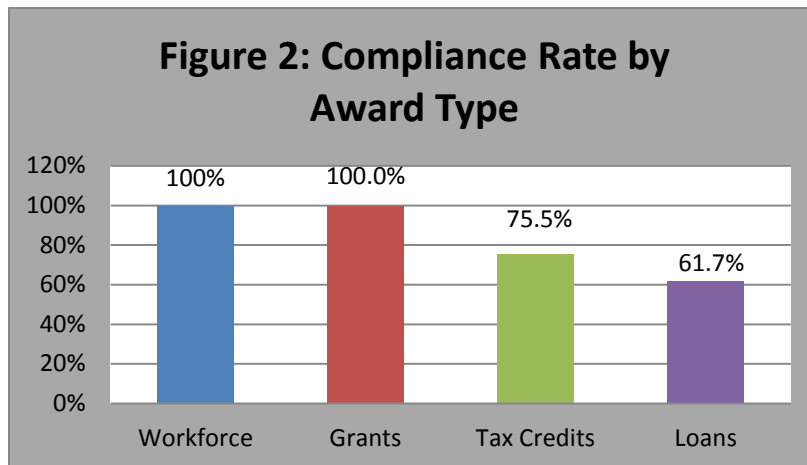
### All Awards

The AGO reviewed 186 in-scope economic development awards. The AGO determined that Award Recipients receiving 145 awards had substantially complied with the terms and conditions of their award agreements, whereas Award Recipients receiving 41 awards did not comply, representing an overall compliance rate of **78 percent**. 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 2017 closeout awards by award type:



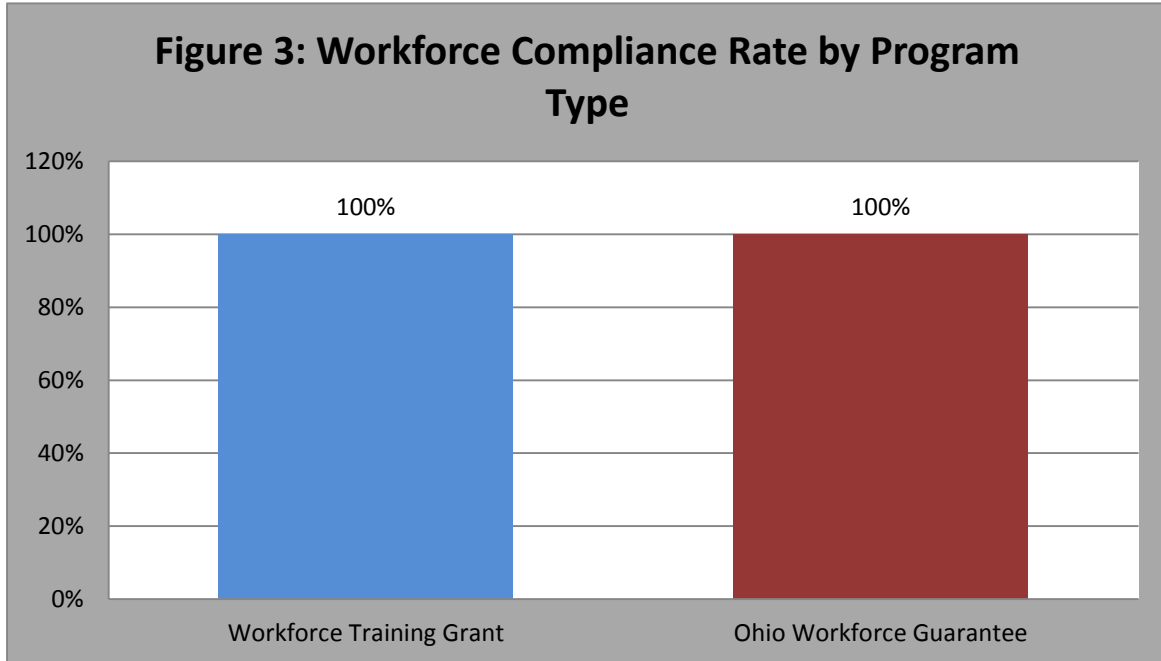
- Figure 2 details the compliance rate by award type:



### Workforce Awards

Among all active awards administered by ODSA, three Workforce Awards, with a total combined value of \$430,000, had a closeout year of 2017. 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 percent**.

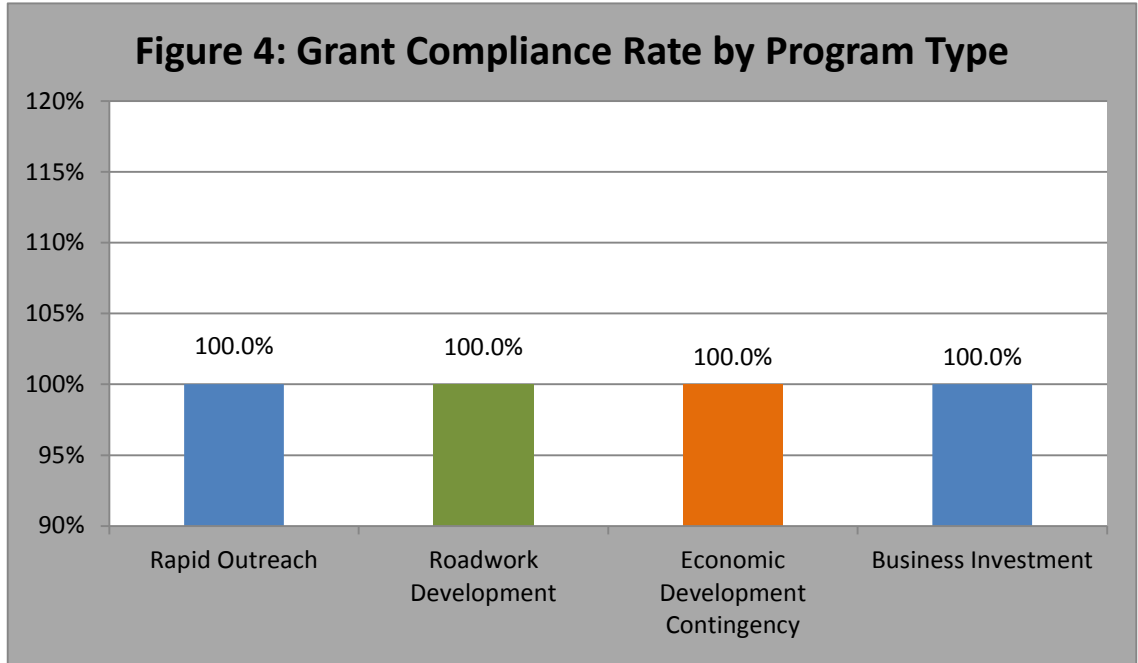
- Figure 3 details the compliance rate of 2017 closeout Workforce Awards by program type:



## Grant Awards

ODSA awarded 42 Grants with a closeout year of 2017, having a total combined value of \$44.9 million. The AGO determined that all of the Grant Award Recipients had substantially complied with the terms and conditions of their award agreements, representing an overall Grant compliance rate of **100 percent**.

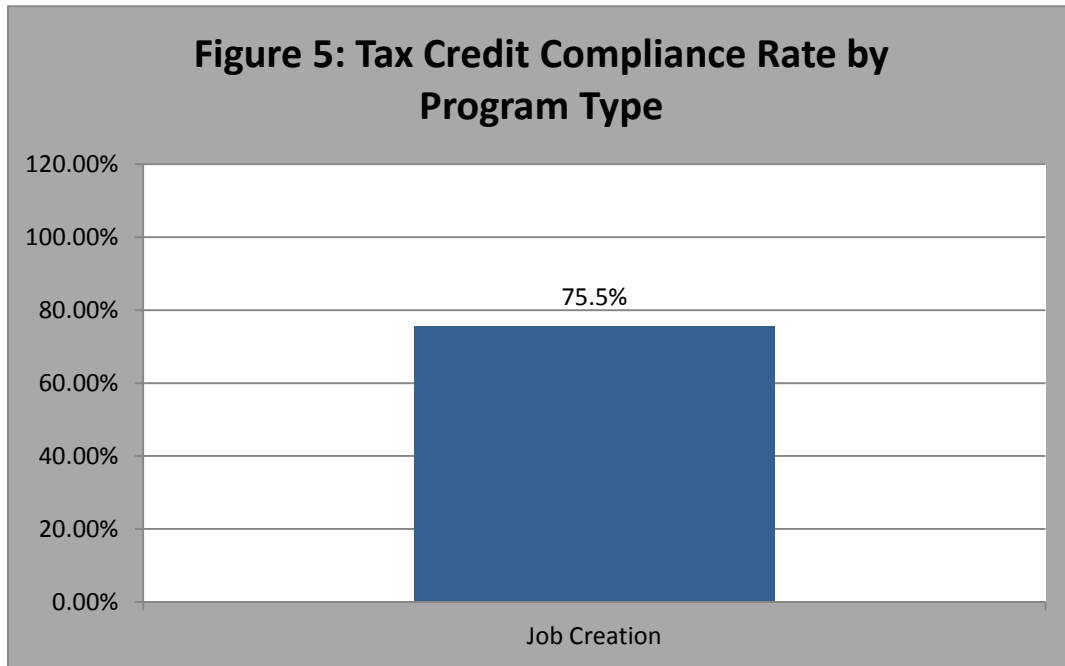
- Figure 4 details the compliance rate of 2017 closeout Grant Awards by program type:



## Tax Credit Awards

ODSA maintained 94 Tax Credit Awards with a closeout year of 2017, having a total initial claimed value of \$58.8 million.<sup>8</sup> The AGO determined that 71 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 **75.5 percent**.

- Figure 5 details the compliance rate of 2017 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 3.

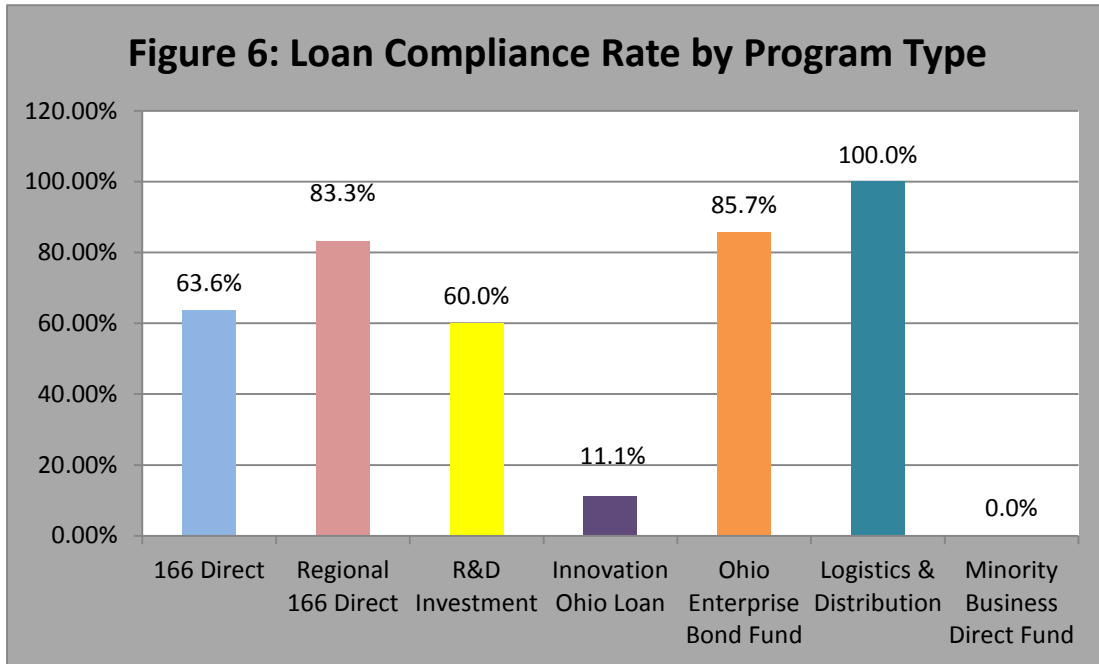
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<sup>8</sup> Only Tax Certificates that were provided by ODSA up to July 27, 2018 were reviewed. Additional Tax Certificates issued in 2018 may increase this value.

## Loan Awards

ODSA awarded 47 Loans with a closeout year of 2017, having a total combined value of \$102.3 million. The AGO determined that 29 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 18 Loan Award Recipients did not comply, representing an overall Loan compliance rate of **61.7 percent**.

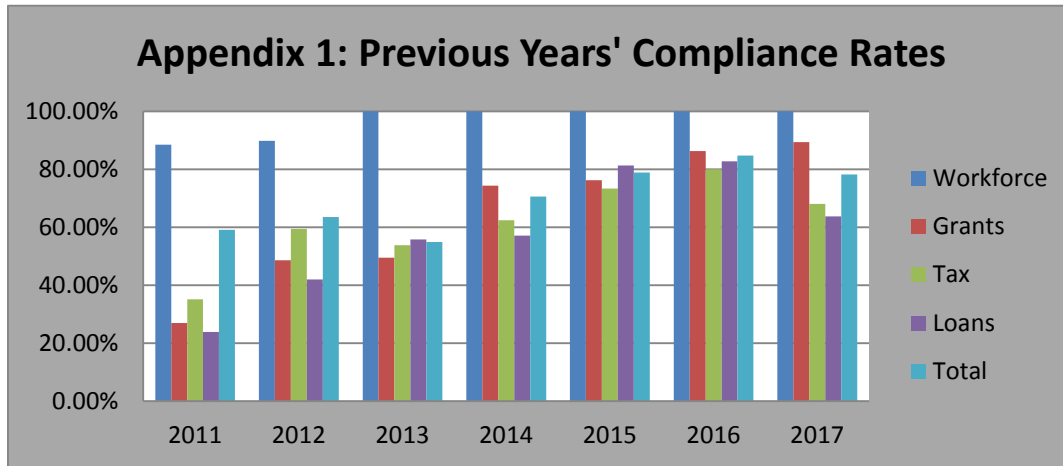
- Figure 6 details the compliance rate of 2017 closeout Loan Awards by program type:



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 4.



**Appendix 1: Previous Years' Compliance Rates**



**2017 Compliance Rates**

<b>Overall Compliance Rate</b>	<b>78.3%</b>	<b>(213/272)</b>
• <b>Workforce Compliance Rate<sup>9</sup></b>	<b>100%</b>	<b>(11/11)</b>
○ Workforce Training Grant	100%	(10/10)
○ Ohio Workforce Guarantee	100%	(1/1)
• <b>Grant Compliance Rate</b>	<b>89.4%</b>	<b>(110/123)</b>
○ Rapid Outreach	80%	(36/45)
○ Roadwork Development	100%	(58/58)
○ Economic Development Contingency	84.2%	(16/19)
○ Business Investment	0%	(0/1)
• <b>Tax Credit Compliance Rate</b>	<b>68.1%</b>	<b>(62/91)</b>
○ Job Creation Tax Credit	67%	(59/88)
○ Job Retention Tax Credit <sup>10</sup>	100%	(3/3)
• <b>Loan Compliance Rate</b>	<b>63.8%</b>	<b>(30/47)</b>
○ 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)

<sup>9</sup> 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.

<sup>10</sup> Job Retention Tax Credits do not have a closeout year for performance commitments. See note 11 on page 8.

### 2016 Report Compliance Rates

<b>Overall Compliance Rate</b>	<b>84.8%</b>	<b>(279/329)</b>
• <b>Workforce Compliance Rate<sup>11</sup></b>	<b>100%</b>	<b>(33/33)</b>
○ Workforce Training Grant	100%	(20/20)
○ Ohio Workforce Guarantee	100%	(13/13)
• <b>Grant Compliance Rate</b>	<b>86.3%</b>	<b>(101/117)</b>
○ Rapid Outreach	75%	(39/52)
○ Roadwork Development	100%	(41/41)
○ Economic Development Contingency	88.9%	(16/18)
○ Business Investment	83.3%	(5/6)
• <b>Tax Credit Compliance Rate</b>	<b>80%</b>	<b>(92/115)</b>
○ Job Creation Tax Credit	79.6%	(90/113)
○ Job Retention Tax Credit <sup>12</sup>	100%	(2/2)
• <b>Loan Compliance Rate</b>	<b>82.8%</b>	<b>(53/64)</b>
○ 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)

### 2015 Report Compliance Rates

<b>Overall Compliance Rate</b>	<b>78.9%</b>	<b>(269/341)</b>
• <b>Workforce Compliance Rate<sup>13</sup></b>	<b>100%</b>	<b>(43/43)</b>
○ WTG Workforce Training	100%	(23/23)
○ Ohio Investment in Training	100%	(1/1)
○ Ohio Workforce Guarantee	100%	(19/19)
• <b>Grant Compliance Rate</b>	<b>76.3%</b>	<b>(58/76)</b>
○ Rapid Outreach	65%	(26/40)
○ Roadwork Development	92%	(23/25)
○ Economic Development Contingency	81.8%	(9/11)

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<sup>11</sup> 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.

<sup>12</sup> Job Retention Tax Credits do not have a closeout year for performance commitments.

<sup>13</sup> 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.

• <b>Tax Credit Compliance Rate</b>	<b>73.4%</b>	<b>(116/158)</b>
○ Job Creation Tax Credit	71.8%	(107/149)
○ Job Retention Tax Credit <sup>14</sup>	100%	(9/9)
• <b>Loan Compliance Rate</b>	<b>81.3%</b>	<b>(52/64)</b>
○ 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

<b>Overall Compliance Rate</b>	<b>70.6%</b>	<b>(180/255)</b>
• <b>Workforce Compliance Rate<sup>15</sup></b>	<b>100%</b>	<b>(49/49)</b>
○ Appalachian Training Investment	100%	(8/8)
○ Legacy-Ohio Workforce Guarantee	100%	(1/1)
○ Ohio Workforce Guarantee	100%	(40/40)
• <b>Grant Compliance Rate</b>	<b>74.4%</b>	<b>(29/39)</b>
○ Rapid Outreach	52.6%	(10/19)
○ Roadwork Development	100%	(15/15)
○ Economic Development Contingency	80%	(4/5)
• <b>Tax Credit Compliance Rate</b>	<b>62.4%</b>	<b>(78/125)</b>
○ Job Creation Tax Credit <sup>16</sup>	59.8%	(70/117)
○ Job Retention Tax Credit <sup>17</sup>	100%	(8/8)
• <b>Loan Compliance Rate</b>	<b>57.1%</b>	<b>(24/42)</b>
○ 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)

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<sup>14</sup> Job Retention Tax Credits do not have a closeout year for performance commitments.

<sup>15</sup> 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.

<sup>16</sup> 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.

<sup>17</sup> Job Retention Tax Credits do not have a closeout year for performance commitments.

### 2013 Report Compliance Rates

<b>Overall Compliance Rate</b>	<b>54.9%</b>	<b>(146/266)</b>
• <b>Workforce Compliance Rate</b> <sup>18</sup>	<b>100%</b>	<b>(14/14)</b>
○ Appalachian Training Investment	100%	(2/2)
○ Ohio Workforce Guarantee	100%	(12/12)
• <b>Grant Compliance Rate</b>	<b>49.5%</b>	<b>(52/105)</b>
○ Rapid Outreach	50%	(34/68)
○ Roadwork Development	46.4%	(13/28)
○ Economic Development Contingency	55.6%	(5/9)
• <b>Tax Credit Compliance Rate</b>	<b>53.8%</b>	<b>(56/104)</b>
○ Job Creation Tax Credit	52.9%	(54/102)
○ Job Retention Tax Credit <sup>19</sup>	100%	(2/2)
• <b>Loan Compliance Rate</b> <sup>20</sup>	<b>55.8%</b>	<b>(24/43)</b>
○ 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)

### 2012 Report Compliance Rates

<b>Overall Compliance Rate</b>	<b>63.5%</b>	<b>(162/255)</b>
• <b>Workforce Compliance Rate</b> <sup>21</sup>	<b>89.9%</b>	<b>(80/89)</b>
○ Appalachian Training Investment	93.3%	(14/15)
○ Ohio Investment in Training	85.2%	(23/27)
○ Ohio Workforce Guarantee	91.5%	(43/47)
• <b>Grant Compliance Rate</b>	<b>48.6%</b>	<b>(36/74)</b>
○ Rapid Outreach	47.6%	(20/42)
○ Roadwork Development	55%	(11/20)
○ Economic Development Contingency	44.4%	(4/9)
○ Global Analyst Settlement	0%	(0/2)

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<sup>18</sup> 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.

<sup>19</sup> Job Retention Tax Credits do not have a closeout year for performance commitments.

<sup>20</sup> 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.

<sup>21</sup> 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.

○ Other/Combination	100%	(1/1)
● <b>Tax Credit Compliance Rate<sup>22</sup></b>	<b>59.5%</b>	<b>(25/42)</b>
○ Job Creation Tax Credit	59.5%	(25/42)
● <b>Loan Compliance Rate</b>	<b>42%</b>	<b>(21/50)</b>
○ 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)

### 2011 Report Compliance Rates

	<u>Amended Report</u>	<u>12/29 Report</u>
<b>Overall Compliance Rate</b>	<b>59.1% (199/337)</b>	<b>52.4% (220/420)</b>
<b>Workforce Compliance Rate</b>	<b>88.5% (154/174)</b>	<b>81.7% (138/169)</b>
● 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)
<b>Grant Compliance Rate</b>	<b>27.0% (17/63)</b>	<b>15.6% (12/77)</b>
● 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)
<b>Tax Credit Compliance Rate</b>	<b>35.1% (17/54)</b>	<b>54.3% (50/92)</b>
● Job Creation	35.1% (17/54)	53.3% (48/90)
● Job Retention	N/A	100% (2/2)
<b>Loan Compliance Rate</b>	<b>23.9% (11/46)</b>	<b>24.4% (20/82)</b>
● 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)

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<sup>22</sup> 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.

## Appendix 2: Improvements Letter by the Ohio Development Services Agency



John R. Kasich, Governor    David Goodman, Director

November 26, 2018

The Honorable Mike DeWine  
Ohio Attorney General  
30 East Broad St., 14th floor  
Columbus, Ohio 43215

Dear Attorney General DeWine,

Ohio witnessed the most improved business climate in the nation, creating nearly 560,000 new private sector jobs since the start of 2011. The administration's commitment to jobs includes holding companies to their commitments for job creation and investment in our state, for the first time in Ohio economic development history.

Companies that received state incentives, with commitments due by December 31, 2017, are 78% compliant, with many over-performing for a total of 108% of the jobs committed.

Prior to 2011, a return on investment analysis for state incentives was never done. Companies received grants, loans, and tax credits, with no accountability for what they delivered in return. Today, a rigorous process is in place which begins with evaluation and scrutiny of proposed economic development projects, includes several levels of approval, and rigorous reporting and monitoring of companies to ensure they meet their commitments to the taxpayers.

Improved accountability has led to the total number of jobs created compared to job commitments to exceed 100%, every year since 2013.

When market conditions or other factors outside a company's control change, the Development Services Agency works with them to take remedial, proportional action to reduce benefits, to maintain the performance-based nature of incentives, without creating hardship for companies or taxpayers.

Changes to the economic development structure of Ohio and the improved monitoring processes ensure companies are more accountable for taxpayer money than ever before.

In my 6 years leading the agency, I am proud to report we have standardized our processes, which means fairness and better accountability. Development has reduced costs by moving to electronic reporting. Technology is reducing human error and increasing accountability. A centralized customer relationship management system allows us to coordinate all the pieces of a project and gives us a holistic view to eliminate overlap, duplication and error.

Sincerely,

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  
Ohio Development Services Agency

77 South High Street                      614 | 466 3379  
P.O. Box 1001                                800 | 848 1300  
Columbus, Ohio 43216-1001 U.S.A.      www.development.ohio.gov

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

### Appendix 3: Non-Compliant Tax Credit Award Recipients

Award Recipient	Location	Program Type	Commitments	Performance	Reason for Non-Compliance	Remedial Action	Comments
AIM MRO Holdings, Inc.	Miami / Clermont Co.	Job Creation Tax Credit 40% for 5 years	Job Creation: 20 Job Retention: 62 New Payroll: \$1,000,000	Job Creation: 16 Job Retention: 62 New Payroll Generated: \$5,284,808	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.
Arlington Contact Lens Service, Inc.	Columbus / Franklin Co.	Job Creation Tax Credit 1.254% for 6 years	Job Creation: 50 Job Retention: 110 New Payroll: \$2,500,000	Job Creation: 45 Job Retention: 110 New Payroll Generated: \$2,151,343.47	Failure to create new payroll	None	ODSA deemed substantially compliant because Recipient met the commitments over a two year reporting period.
Cast Nylons Co., LTD.	Willoughby / Lake Co.	Job Creation Tax Credit 40% for 5 years	Job Creation: 20 Job Retention: 92 New Payroll: \$1,000,000	Job Creation: 16 Job Retention: 92 New Payroll Generated: \$1,944,235	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.
FirstGroup America, Inc.	Cincinnati / Hamilton Co.	Job Creation Tax Credit 1.132% for 6 years	Job Creation: 75 Job Retention: 330 New Payroll: \$3,900,000	Job Creation: 54 Job Retention: 330 New Payroll: \$1,736,594.68	Failure to create jobs and create new payroll	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Global Cloud, Ltd.	Cincinnati / Hamilton Co.	Job Creation Tax Credit 1.196% for 6 years	Job Creation: 20 Job Retention: 30 New Payroll: \$1,099,894	Job Creation: 16 Job Retention: 30 New Payroll: \$1,432,833.93	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.
Goken America, LLC	Dublin / Franklin Co.	Job Creation Tax Credit 1.722% for 5 years	Job Creation: 15 Job Retention: 24 New Payroll: \$1,648,766	Job Creation: 13 Job Retention: 24 New Payroll: \$1,955,394.51	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.
Information Control Company LLC	Columbus / Franklin Co.	Job Creation Tax Credit 50% for 9 years	Job Creation: 184 Job Retention: 390 New Payroll: \$17,257,630	Job Creation: 133 Job Retention: 390 New Payroll Generated: \$19,860,136.37	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.
Lubrication Specialties, Inc.	Mt. Gilead / Morrow Co.	Job Creation Tax Credit 0.904% for 5 years	Job Creation: 20 Job Retention: 14 New Payroll: \$780,320	Job Creation: 11 Job Retention: 14 New Payroll Generated: \$685,345	Failure to create jobs and create new payroll	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Lunarline, Inc.	Kettering / Montgomery Co.	Job Creation Tax Credit 1.318% for 5 years	Job Creation: 15 Job Retention: 2 New Payroll: \$1,050,000	Job Creation: 5 Job Retention: 2 New Payroll Generated: \$277,013.87	Failure to create jobs and create new payroll	Reduced the term to 3 years, ending 1/1/2018	Approved by the Ohio Tax Credit Authority
Main Street Gourmet, LLC	Akron / Summit Co.	Job Creation Tax Credit 1.016% for 5 years	Job Creation: 35 Job Retention: 117 New Payroll: \$1,225,000	Job Creation: 23 Job Retention: 117 New Payroll Generated: \$1,765,765.82	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.
Malt Products Corporation dba Malt Products	Dayton / Montgomery Co.	Job Creation Tax Credit 45% for 7 years	Job Creation: 30 Job Retention: 35 New Payroll: \$1,509,030	Job Creation: 20 Job Retention: 35 New Payroll Generated: \$1,692,839.89	Failure to create jobs	Reduced the rate to 40% for years 2018 to 2021	Approved by the Ohio Tax Credit Authority

**Appendix 3 Continued: Non-Compliant Tax Credit Award Recipients**

<b>Award Recipient</b>	<b>Location</b>	<b>Program Type</b>	<b>Commitments</b>	<b>Performance</b>	<b>Reason for Non-Compliance</b>	<b>Remedial Action</b>	<b>Comments</b>
Messer Construction Co.	Cincinnati / Hamilton Co.	Job Creation Tax Credit 1.352% for 5 years	Job Creation: 32 Job Retention: 97 New Payroll: \$2,350,000	Job Creation: 27 Job Retention: 97 New Payroll Generated: \$9,202,409.64	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.
Oldcastle BuildingEnvelope, Inc.	Perrysburg / Wood Co.	Job Creation Tax Credit 1.140% for 6 years	Job Creation: 50 Job Retention: 210 New Payroll: \$2,200,000	Job Creation: 3 Job Retention: 210 New Payroll Generated: \$675,528.73	Failure to create jobs and create new payroll	Reduced the term to 3 years, ending 1/1/2018	Approved by the Ohio Tax Credit Authority
Parker-Hannifin Corporation	Ravenna / Portage Co.	Job Creation Tax Credit 45% for 5 years	Job Creation: 29 Job Retention: 304 New Payroll: \$1,400,000	Job Creation: 2 Job Retention: 304 New Payroll Generated: \$1,246,962	Failure to create jobs and create new payroll	Reduced the term to 3 years, ending 1/1/2018	Approved by the Ohio Tax Credit Authority
Pyrotek Inc.	Aurora / Portage Co.	Job Creation Tax Credit .973% for 7 years	Job Creation: 20 Job Retention: 81 New Payroll: \$850,000	Job Creation: 14 Job Retention: 81 New Payroll Generated: \$1,092,149	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.
Sage Sustainable Electronics, LLC	Columbus / Franklin Co.	Job Creation Tax Credit 1.449% for 6 years	Job Creation: 52 Job Retention: 8 New Payroll: \$3,200,000	Job Creation: 30 Job Retention: 8 New Payroll Generated: \$1,907,027	Failure to create jobs and create new payroll	None	ODSA will not pursue a reduction in rate or term due to market conditions
Senator International, Inc. dba Allermuir	Maumee / Lucas Co.	Job Creation Tax Credit 1.629% for 8 years	Job Creation: 56 Job Retention: 68 New Payroll: \$2,900,000	Job Creation: 52 Job Retention: 68 New Payroll Generated: \$2,403,012	Failure to create new payroll	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
SSB Manufacturing Company	Monroe & Forest Park / Warren & Hamilton Co.	Job Creation Tax Credit 1.499% for 6 years	Job Creation: 106 Job Retention: 181 New Payroll: \$5,852,000	Job Creation: 122 Job Retention: 181 New Payroll Generated: \$5,052,808	Failure to create new payroll	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
Startek USA, Inc.	Hamilton / Butler Co.	Job Creation Tax Credit 65% for 7 years	Job Creation: 682 New Payroll: \$15,693,817	Job Creation: 864 New Payroll Generated: \$6,995,232.33	Failure to create new payroll	None	Recipient Voluntarily Terminated; Approved by the Ohio Tax Credit Authority
Superior Production LLC	Columbus / Franklin Co.	Job Creation Tax Credit 0.984% for 6 years	Job Creation: 35 Job Retention: 154 New Payroll: \$1,575,000	Job Creation: 30 Job Retention: 154 New Payroll Generated: \$1,699,481	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.
The C.M. Paula Company	Mason / Warren Co.	Job Creation Tax Credit 1.125% for 6 years	Job Creation: 29 Job Retention: 80 New Payroll: \$1,580,000	Job Creation: 0 Job Retention: 73 New Payroll Generated: \$124,517.29	Failure to create jobs and create new payroll	Reduced the term to 3 years, ending 1/1/2018	Approved by the Ohio Tax Credit Authority
The Crimson Cup, Inc.	Columbus / Franklin Co.	Job Creation Tax Credit 1.191% for 6 years	Job Creation: 20 Job Retention: 20 New Payroll: \$1,050,000	Job Creation: 13 Job Retention: 20 New Payroll Generated: \$979,144.01	Failure to create jobs	None	ODSA will not pursue a reduction in rate or term due to market conditions
Vantage Point Logistics, LLC	Columbus / Franklin Co.	Job Creation Tax Credit 1.233% for 5 years	Job Creation: 20 Job Retention: 10 New Payroll: \$1,200,000	Job Creation: 17 Job Retention: 10 New Payroll Generated: \$954,560	Failure to create jobs and create new payroll	Reduced the rate to 0.894% for years 2018 to 2019	Approved by the Ohio Tax Credit Authority



## Appendix 4: Non-Compliant Loan Award Recipients

Award Recipient	Location	Program Type	Total Amount Received	Commitments	Performance	Reason for Non-Compliance	Loan Status as of 9/18/2018	Remedial Action	AGO Comments
Advanced Biological Marketing, Inc.	Van Wert / Van Wert Co.	Regional 166 Direct Loan Program	\$ 500,000.00	Job Creation: 10 Job Retention: 30	Jobs Created: 0 Jobs Retained: 13	Failure to create and retain jobs	Current	ODSA increased the effective interest rate by 1% effective 12/1/2018	
Akzo Nobel Coatings Inc.	Berea / Cuyahoga Co.	Research & Development Investment Loan	\$1,000,000.00	Job Creation: 10 Job Retention: 141	Jobs Created: 0 Jobs Retained: 129	Failure to create jobs	Current	ODSA increased effective interest rate by 2.0% effective 11/1/2018	
Banner Metals Group, Inc.	Columbus / Franklin Co.	166 Direct Loan Program	\$ 897,460.28	Job Creation: 40 Job Retention: 47	Jobs Created: 0 Jobs Retained: 35	Failure to create and retain jobs	Current	ODSA increased effective interest rate by 3.0% effective 9/1/2018	
Blue Spark Technologies, Inc.	Westlake / Cuyahoga Co.	Innovation Ohio Loan Fund	\$ 873,000.00	Job Creation: 30 Job Retention: 13	Jobs Created: 2 Jobs Retained: 13	Failure to create jobs	Current	None	ODSA will not pursue an interest rate increase due to market conditions
Clarivoy, Inc.	Columbus / Franklin Co.	Innovation Ohio Loan Fund	\$ 750,000.00	Job Creation: 30 Job Retention: 4	Jobs Created: 18 Jobs Retained: 4	Failure to create jobs	Current	ODSA increased effective interest rate by 2.0% effective 10/1/2018	
Cordata Healthcare Innovations, LLC	Cincinnati / Hamilton Co.	Innovation Ohio Loan Fund	\$ 800,000.00	Job Creation: 30 Job Retention: 18	Jobs Created: 3 Jobs Retained: 18	Failure to create jobs	Paid Off	None	No further action due to loan pay off on 7/17/2018
Dayton-Montgomery County Port Authority	Miami Township / Montgomery Co.	Ohio Enterprise Bond Fund	\$8,350,000.00	Job Creation: 24 Job Retention: 64	Jobs Created: 15 Jobs Retained: 64	Failure to create jobs	Current	None	ODSA deemed substantially compliant because Recipient attained 90% or greater of the aggregate number of jobs it agreed to create and retain.
DecisionDesk Inc. (fka CitizenGroove, Inc.)	Lakewood / Cuyahoga Co.	Innovation Ohio Loan Fund	\$ 750,000.00	Job Creation: 38 Job Retention: 7	Jobs Created: 0 Jobs Retained: 0	Failure to create and retain jobs	Past Due	None	ODSA certified payment to AGO for collection
DRT Union Centre, LLC	West Chester Township / Butler Co.	Research & Development Investment Loan	\$1,000,000.00	Job Creation: 10 Job Retention: 21	Jobs Created: 0 Jobs Retained: 17	Failure to create and retain jobs	Current	ODSA increased effective interest rate by 1.0% effective 10/1/2018	
Fifth and Race Leverage Lender, LLC	Cincinnati / Hamilton Co.	166 Direct Loan Program	\$7,000,000.00	Job Creation: 400 Job Retention: 450	Jobs Created: 170 Jobs Retained: 450	Failure to create jobs	Current	None	ODSA will not pursue an interest rate increase due to market conditions
Let's Play School Family Child Care, LLC	Toledo / Lucas Co.	Minority Business Direct Fund	\$ 70,000.00	Job Creation: 4 Job Retention: 6	Jobs Created: 0 Jobs Retained: 0	Failure to create and retain jobs	Current	ODSA increased effective interest rate by 2.0% effective 12/1/2018	
Mark-All Enterprises, LLC	Akron / Summit Co.	Regional 166 Direct Loan Program	\$ 120,000.00	Job Creation: 3 Job Retention: 22	Jobs Created: 0 Jobs Retained: 21	Failure to create jobs	Current	None	ODSA will not pursue an interest rate increase due to market conditions
Micro-Office Systems, Inc.	South Euclid / Cuyahoga Co.	Innovation Ohio Loan Fund	\$ 500,000.00	Job Creation: 20 Job Retention: 5	Jobs Created: 0 Jobs Retained: 4	Failure to create and retain jobs	Current	ODSA increased effective interest rate by 3.0% effective 10/1/2018	
Mobile Awareness, LLC	Solon / Cuyahoga Co.	Innovation Ohio Loan Fund	\$ 825,000.00	Job Creation: 30 Job Retention: 8	Jobs Created: 0 Jobs Retained: 5	Failure to create and retain jobs	Past Due	None	ODSA certified payment to AGO for collection
Ohio Metal Technologies, Inc.	Hebron / Licking Co.	166 Direct Loan Program	\$1,500,000.00	Job Creation: 11 Job Retention: 65	Jobs Created: 3 Jobs Retained: 65	Failure to create jobs	Current	None	ODSA will not pursue an interest rate increase due to market conditions
PercuVision LLC	Columbus / Franklin Co.	Innovation Ohio Loan Fund	\$ 800,000.00	Job Creation: 14 Job Retention: 14	Jobs Created: 0 Jobs Retained: 5	Failure to create and retain jobs	Current	ODSA increased effective interest rate by 3.0% effective 1/1/2019.	

**Appendix 4 Continued: Non-Compliant Loan Award Recipients**

Award Recipient	Location	Program Type	Total Amount Received	Commitments	Performance	Reason for Non-Compliance	Loan Status as of 9/18/2018	Remedial Action	AGO Comments
Tarigma Corporation	Columbus / Franklin Co.	Innovation Ohio Loan Fund	\$ 750,000.00	Job Creation: 11 Job Retention: 6	Jobs Created: 0 Jobs Retained: 6	Failure to create jobs	Current	None	ODSA will not pursue an interest rate increase as the effect of 2% increase is de minimis
xperion E&E USA, LLC	Heath / Licking Co.	166 Direct Loan Program	\$1,840,270.71	Job Creation: 45	Jobs Created: 10	Failure to create jobs	Paid Off	None	No further action due to loan pay off on 7/10/2018