

2020 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



DAVE YOST

OHIO ATTORNEY GENERAL



DAVE YOST

OHIO ATTORNEY GENERAL

Jan. 10, 2021

Members of the General Assembly,

The Ohio Development Services Agency (DSA) grants economic development awards to encourage growth in business, capital investment and Ohio's workforce through incentives and training. State law requires the Attorney General's Office to ensure the taxpayer dollars that support the awards are used wisely and according to applicable laws.

The enclosed report details whether recipients met the conditions of awards with terms ending in the 2018 closeout year. Included are any applicable performance metrics.

Among the findings of our review team:

- Of the 149 in-scope economic development awards, 98 recipients complied with the terms and conditions of their agreements. This results in an overall compliance rate of 66%. By category, 38 of 40 grant awards were in compliance (a rate of 95%); 16 of 22 loan awards were (73%); and 44 of 87 tax credit awards were (51%).
- Five awards that the DSA provided were out of scope. Four had previous closeout dates and should have been submitted to the AGO in prior review cycles; only one had been. The other three were evaluated, and two did not meet the terms of their agreement.
- In line with to the AGO's previous report findings, Roadwork Development Grants did not require award recipients to create new jobs as part of those grant agreements. Job creation was encouraged, but not required.
- Seven of 22 loan agreements required recipients to achieve only 90% of their job commitments.
- The AGO requested a list of economic development award recipients that also received JobsOhio grant incentives. DSA did not provide this list.

As a matter of public policy and transparency, I recommend that the General Assembly and Gov. Mike DeWine review the efficacy of these award programs and determine whether there are sufficient controls in place to ensure the public's dollars are being spent wisely.

Having completed this annual review, I offer these recommendations:

- DSA should be required by statute to provide a hybrid list of JobsOhio Economic Award Recipients to the entity conducting this review in future years.
- In the spirit of the economic development nature of the awards, DSA should require Job Creation and Retention expectations for all Roadwork Development grants.

- That five of the awards submitted for this review were out of scope raises a question about the completeness and accuracy of the records being supplied to the AGO for this annual review. DSA should undertake a review of its reporting process to ensure accuracy.
- As noted in last year, this audit would more appropriately be conducted by the Auditor of State (AOS). That office has an experienced team of auditors well-equipped to conduct this review. The AGO will seek an amendment in the operating budget to transfer this authority to the AOS.

Sincerely,

A handwritten signature in blue ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Ohio Attorney General

TABLE OF CONTENTS

DEFINITIONS.....	1
EXECUTIVE SUMMARY	2
KEY FINDINGS.....	3
All Awards	3
BACKGROUND	5
COMPLIANCE REVIEW METHODOLOGY	7
Phase 1: Data and Information Collection	7
Phase 2: Compliance Evaluation.....	7
Phase 3: Terms and Conditions Evaluation.....	7
Grant Awards	8
Other Grant Findings	8
Loan Awards	9
Tax Credit Awards	11
Appendix 1: Previous Five Years' Compliance Rates.....	i
Appendix 2: Ohio Development Services Agency Director Letter	iii
Appendix 3: Breakdown of Roadwork Development Award Recipients.....	iv
Appendix 4: Noncompliant Grant Award Recipients.....	v
Appendix 5: Noncompliant Loan Award Recipients.....	vi
Appendix 6: Noncompliant Tax Credit Award Recipients.....	vii

DEFINITIONS

Annual report: Information submitted to the Ohio Development Services Agency (ODSA) annually by an award recipient.

Award agreement: An agreement executed between the ODSA and an award recipient containing the terms and conditions, including performance metrics, upon which the state award for economic development is based.

Award recipient: An entity that received a state economic development award administered by the ODSA and entered into an award agreement. “Entity,” as defined in Revised Code 125.112(2), refers to “a corporation, association, partnership, limited liability company, sole proprietorship, or other business entity,” whether for profit or nonprofit. It does not include an individual who receives state assistance unrelated to the individual’s business.

Closeout year: As defined in Revised Code 125.112(G), “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.”

Commitment:

Aspirational commitment: For this report, the term suggests that an award recipient has agreed to give a full-faith effort in seeking to achieve the performance metrics defined in an award agreement. Aspirational commitments are not factored in when determining compliance.

Firm commitment: For this report, the term suggests that an award recipient must achieve the performance metrics defined in an award agreement. Failure to do so results in noncompliance, subjecting the recipient to remedial actions.

Market conditions: A term that is defined in most ODSA-issued award agreements. One example: “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.’”

Metric evaluation date: As defined in Revised Code 122.17(A)(7), “the date by which the taxpayer must meet all of the commitments included in the agreement.”

Performance metrics: The commitments for creation of jobs, job retention, total annual payroll, capital investments and/or other commitments, as set forth in an award agreement.

Performance period: The time frame set forth in an award agreement within which the recipient must comply with its performance metrics.

Remedial action: An action taken by the ODSA against noncompliant award recipients. Remedial actions might include the termination of an agreement, a reduction in an award amount, or an increase in the interest rate on a loan.

State award: As defined in Revised Code 125.112(A)(3)(a), “a contract awarded by the state costing over twenty-five thousand dollars.” Under Revised Code 125.112(A)(3)(b), it does not encompass compensation received as an employee of the state or any state financial assistance and expenditure received from the General Assembly or any legislative agency, any court or judicial agency, the secretary of state, auditor of state, treasurer of state, or attorney general and their respective offices.

State award for economic development: As defined in Revised Code 125.112(G), “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: As defined by the ODSA, the attainment of at least 90 percent of all performance metrics set forth in an award agreement.

EXECUTIVE SUMMARY

Phase 1 of the review consisted of information gathering, during which the AGO received files from the ODSA for all state awards for economic development whose performance period ended in calendar year 2019. These files, separated by award recipient, typically included the award agreement and any amendments; documentation of disbursement of funds or receipt of tax credits; and the annual reports submitted to the ODSA by the award recipient. The ODSA identified 154 awards with performance periods ending in 2019, but the AGO determined that five (5) of those did not qualify. Thus, the AGO received 149 award files from the ODSA said to be “in scope.”

In Phase 2 of the review, the AGO reviewed all 149 award files to determine each recipient’s level of compliance with the terms and conditions of their agreements.

Phase 3 encompassed a more detailed review of 15% of the award agreements, with the focus being firm commitments. To further aid this phase, the AGO requested supporting documentation directly from award recipients including items like tax and payroll records, receipts and expenditure ledgers. The results of the compliance evaluation are set forth in this report.

The AGO requested the results of the ODSA’s compliance determination for each award, as well as details of any remedial action taken with noncompliant award recipients. Upon review completion, the AGO shared all noncompliant results with the ODSA.

Of the 149 award files, recipients receiving 98 awards were deemed fully compliant with the terms and conditions of their agreements. Of the 51 awards determined to be non-compliant, 16 met at least 90% of their commitments and were deemed substantially compliant by the ODSA¹. The results represent overall compliance rates of 66 percent and 77 percent respectively. The following is a breakdown of the compliance rates for each award category and the specific award programs within those categories.²

<u>Compliance Rates</u>	<u>Compliant</u>
Overall Compliance Rate	66% (98/149)
Grant Compliance Rate	95% (38/40)
Rapid Outreach	0% (0/2)

¹ Prior to the 2018 review, the AGO followed the precedent of the ODSA and accepted 90% compliance as compliant. For the 2019 closeouts, AGO will only report on compliant or non-compliant.

² See Appendix 1 for previous years’ compliance rates.

<u>Compliance Rates</u>	<u>Compliant</u>
Roadwork Development	100% (38/38)
Loan Compliance Rate	73% (16/22)
166 Direct	100% (2/2)
Innovation Ohio	0% (0/1)
Logistics and Distribution	100% (1/1)
Minority Business Direct Fund Loan	50% (1/2)
Regional 166 Direct	79% (11/14)
Research and Development Investment	50% (1/2)
Tax Credit Compliance Rate	51% (44/87)
Job Creation	51% (44/87)

KEY FINDINGS

All Awards

In its review of the 149 in-scope economic development awards, the AGO determined 98 recipients had complied with the terms and conditions of their agreements. This results in an **overall compliance rate of 66 percent**. These percentages represent “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 2019 closeout awards by award type:

2019 Awards by Award Type

Type of Award	Value of Awards	Total Awards
Grant	\$17,952,323	40
Loan	\$17,986,313	22
Tax Credit	\$92,750,668	87
Total	\$128,689,304	149

- Figure 2 details the compliance rate by award type:

Overall Compliance by Award Type

Type of Award	Total Awards	Awards Compliant	Percentage Compliant
Grant	40	38	95%
Loan	22	16	73%
Tax Credit	87	44	51%
Overall Compliance	149	98	66%

Additionally, during the AGO review the following important items were noted:

- As mentioned previously, five (5) awards that the ODSA provided to the AGO were out of scope. Four (4) of these awards had past closeout dates and should have been reviewed in prior testing cycles. Only one (1) of the four (4) was included in previous ODSA submissions and the resulting AGO review. The three (3) remaining awards were evaluated along with this years testing. Two (2) of these three (3) awards did not meet the terms of their agreement. The non-compliant results are included in detail along with the 2019 closeout non-compliant awards in appendices 4 and 5. As a result of this, AGO auditors cannot be certain that all 2019 closeout awards were provided for compliance testing. This also raises concerns about the completeness of the prior years’ AGO compliance testing.

Figure 3 details the out-of-scope awards by award type:

Out of Scope Awards

Program Type	Closeout Year	Total Amount Awarded	Compliance Determination
Roadwork Development (629) Grant	2016	\$3,000,000	Non-Compliant - potential remedial action
Legacy – EDC Grant	2016	\$100,000	Compliant
Regional 166 Direct Loan	2017	\$92,767	Compliant - reviewed by AGO in 2017 closeout review
Regional 166 Direct Loan	2018	\$242,000	Non-Compliant - potential remedial action
Regional 166 Direct Loan	2022	\$52,954	TBD

- Similar to AGO’s previous report findings, Roadwork Development Grants did not require award recipients to create new jobs as part of their grant agreement. Job creation was encouraged, but not required as part of the grant agreement. This finding is explained in more detail on page 14.
- Seven (7) of 22 loan agreements contained language that only required recipients to achieve 90% of their job commitments.
- The AGO requested a list of economic development award recipients that also received JobsOhio grant incentives. ODSA did not provide this list.

BACKGROUND

With respect to state awards for economic development, Section 125.112 of the Revised Code 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 award agreements at the end of the closeout year; and (2) report annually to the General Assembly regarding the level of compliance of such recipients. When determined to be appropriate and to the extent that a recipient of a state award for economic development does not comply with a performance metric specified in its agreement, the statute gives the attorney general the authority to pursue such remedies and recoveries against and from that recipient as are available by law.³

ODSA allocates and administers the state’s economic development awards. Each year, the ODSA offers economic development incentives to Ohio entities to help expand commerce in Ohio, attract new businesses to the state, and/or create new jobs and retain existing jobs.

Each award agreement designates a date that the recipient is obligated to begin working toward the performance metrics detailed in the agreement and a time frame during which those metrics should be met. Most agreements require the award recipient to submit documentation of project performance within a certain period after the closeout date.

This AGO report focuses on recipients whose agreements identify 2019 as the closeout year. To make a compliance determination, the AGO compared each recipient’s commitments for job creation, job retention and/or increased payroll as set in its contract with the results documented in its annual reports. Failure to submit an annual report(s) resulted in a noncompliance determination.

It should be noted that most award agreements allow the director of the ODSA to consider “market conditions” when deciding whether or not to seek reimbursement of grant or loan funds from an award recipient that fails to meet the performance metrics in its agreement. The 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 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 the ODSA with a 2019 closeout year fall into three categories: grant, loan and tax credit awards. What follows are brief descriptions of each category, the performance metrics found in the award agreements, an explanation of how the closeout year is calculated and how compliance is determined, and possible remedial actions in the event of noncompliance.

Grant: A typical grant award helps a recipient offset the cost of undertaking an eligible project for business expansion, infrastructure improvements and/or equipment and machinery purchases in exchange for its promises to create and/or retain a specified number of jobs typically within three (3) years after the date of project completion. The recipient must also submit annual progress reports to the ODSA. The project completion date is typically defined in the agreement. Grant funds are typically given as reimbursement for approved project expenditures after the ODSA receives evidence of those expenditures from the award recipient. The final disbursement of funds, therefore, is likely to be proximate with the actual project completion date, if the project completion date is not defined in the agreement. In addition to the job creation and retention commitments, some grant award agreements contain secondary performance metrics such as capital investment, minimum hourly wage and maintenance of operations commitments. However, the ODSA does not use the

³ R.C. 125.112(G).

secondary performance metrics to determine compliance. If a recipient fails to meet the obligations of the agreement, the ODSA may, among other remedial actions, attempt to claw back funds previously disbursed or reduce the amount awarded. For this report, the AGO determined compliance based on project completion and assessed job creation and job retention commitments – documented in the award agreements.

Loan: A loan awarded by the ODSA carries low interest and helps finance an eligible project – say, a land and building acquisition; an expansion; a renovation; or equipment purchases – in exchange for the promise to create and/or retain jobs by the metric evaluation date. Loan awards finance a certain percentage – set forth in the loan agreement – of allowable project costs with loan amounts ranging from \$52,000 to \$4,000,000 for recipients willing to commit to creating or preserving jobs in Ohio. The interest rate is fixed (at or below market rates) with terms similar to those for commercial financing. The metric evaluation dates vary among loan agreements but can be up to three years following either the loan closing date, the last disbursement date, or the project completion date as certified by the award recipient. In cases in which the project completion date was not certified by the recipient, the ODSA generally uses the final disbursement date as the metric evaluation date to determine the award’s closeout year. In addition to job creation and retention commitments, some loan agreements contain secondary performance metrics such as capital investment, minimum hourly wage and maintenance of operations commitments. However, the ODSA does not use the secondary performance metrics to determine compliance. Loan repayments must be current in order for the ODSA to deem a project compliant. The AGO conferred with the ODSA about the payment status of all loans. Per the ODSA, all loans were current. The AGO did not document loan status for each borrower within this report, but if the loan was deemed noncompliant, that information is contained in Appendix 5. Award recipients must submit annual progress reports to the ODSA. If a recipient fails to meet its obligations under its loan agreement, the 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 – documented in the award agreements.

Tax credit: Typically, a tax credit from the Ohio Tax Credit Authority (TCA) enables an award recipient that is acquiring or upgrading a facility or otherwise expanding its business to claim a credit against the recipient’s state tax liability in exchange for its promises to: (1) create and/or retain jobs within three years of the date that 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) substantially maintain a specified number of jobs and payroll throughout the remaining 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. Award recipients must also submit annual progress reports to the ODSA. The closeout year is determined using the initial operations date or the tax credit effective date, depending on when the award was approved, or the agreed-upon metric evaluation date. Such awards usually have rates for approved projects between one and three percent of new payroll generated for five to seven years. If a tax credit recipient fails to meet the obligations of its award agreement, the ODSA may, among other recommendations, advise the TCA to terminate the agreement, reduce the number of years for which the recipient may claim the credit (reduce the term), reduce the proportional amount that a recipient may claim as a credit in its tax filings (reduce the rate), or require the recipient to refund tax credits received. The ODSA may consider market conditions when making its recommendation; the final decision for remedial action lies with the TCA. For this report, the AGO determined compliance based on job creation, job retention and payroll commitments – documented in the award agreement.

COMPLIANCE REVIEW METHODOLOGY

In order to maintain the goals of the previous reports (accuracy, efficiency, repeatability), accomplish the additional goals of continuing to improve the review process, and ensure that the Attorney General's Office is complying with its duties under R.C. 125.112(G), the AGO, for this year's review, used a three-phase method to determine compliance by award recipients. In addition, together with ODSA, the Attorney General's Office will continue to ensure the accountability and transparency of state incentives and protect taxpayer investments, as described in Appendix 2.

Recipients of economic development awards were required to submit annual progress reports on the ODSA Salesforce secure portal. The ODSA reporting and quality assurance team would then review the award recipient submissions in the the Salesforce application.

Additionally, the AGO requested a list of economic development award recipients that also received Jobs Ohio grant incentives. ODSA did not provide this list.

Phase 1: Data and Information Collection

The first phase of the AGO review involved information gathering. The AGO requested and received files from the ODSA for all state economic development awards with a performance period ending in calendar year 2019. These files included annual reports, award agreements and related amendments, and funding support it had on record. The ODSA identified 154 awards as having performance periods ending in calendar year 2019, but the AGO determined that two (2) grants and three (3) loans were out of scope. Thus, the AGO received 149 in-scope award files from the ODSA.

Phase 2: Compliance Evaluation

The second phase of the review consisted of an AGO compliance review of all 149 in-scope award files.

When necessary, AGO reviewers reached out to ODSA with questions or requests for additional documentation. All noncompliant results were shared with the ODSA. The AGO, in turn, asked for the results of the ODSA's compliance determination for each award and details of any remedial action taken with noncompliant recipients. The review results are detailed in this report.

Phase 3: Terms and Conditions Evaluation

In the third phase of the review, the AGO conducted a more detailed examination of 15% – or 24 – award recipients. The sample selection was weighted based on the number of awards of each type. The AGO randomly selected and reviewed seven (7) grants, four (4) loans and thirteen (13) tax credit awards. The AGO contacted the selected award recipients and requested they provide supporting documentation including payroll records, invoices and financial ledgers used to determine compliance with the agreements. The results of the evaluation are contained in this report.

Grant Awards

The ODSA reported 40 grants with a closeout year of 2019 and a total combined value of \$18 million. Seven (7) of these were selected for the Phase 3 terms and conditions evaluation by the AGO. The AGO evaluated supporting documentation for project expenses to ascertain both eligible costs and compliance with the terms and conditions of the agreements. Additionally, it reviewed payroll records for contractors to ensure compliance with prevailing wage requirements of Ohio Revised Code Chapter 4115, where applicable.

Phase 3 testing did not identify any additional noncompliance.

The AGO determined that 38 of the Grant Award recipients had complied with the terms and conditions of their award agreements, representing an overall Grant Award compliance rate of 95 percent.

Noncompliant awardees had received a total of \$162,000.

- Figure 4 details the compliance rate of 2019 closeout Grant Awards by program type:

Grant Compliance Rate by Type

Type of Award	Amount of Award	Number of Award Type	Percentage Compliant
Rapid Outreach	\$162,000	2	0%
Roadwork Development	\$17,790,323	38	100%

- Figure 5 details the award amounts given to noncompliant grant awardees by grant type:

Grant Noncompliance Amounts by Type

Type of Award	Noncompliant	Amount Noncompliant
Rapid Outreach	2	\$162,000
Roadwork Development	0	\$0

A list of the award recipients that did not comply with the terms and conditions (including certain performance metrics of their agreements) as well as the reasons for noncompliance and any remedial actions being taken by the ODSA can be found in Appendix 4.

Other Grant Findings

Similar to the findings for the 2018 closeouts, for the Roadwork Development grants only, outside of completing the roadwork project, contract language for most of these awards did not require commitments such as job creation or retention. Instead, they contained aspirational commitments. For example, an entity hoped to create a specified number of jobs but ended up not meeting that goal. Because of the contract language, this would not result in noncompliance. The one Roadwork Development grant award with firm commitments had an amended contract that eliminated required commitments. The annual report submissions for awards without firm job creation and retention commitments did not require the recipient to disclose its progress toward aspirational commitments; as a result, all 38 Roadwork Development awards totaling \$17,790,323 were given without firm commitments to create or retain jobs. Roadwork Development recipients are listed in Appendix 3.

An analysis of prior-year Roadwork Development grant documentation showed that the percentage of firm commitments for job creation or retention has been declining for this type of grant. In 2015, slightly more than 63 percent of such awards required job creation or retention commitments in order to be compliant with the award agreements. In 2018 and 2019 closeout years, no such grants had required commitments to create or retain jobs.

- Figure 6 details the percentage of Roadwork Development grants with firm job creation or retention commitments during the past five years:

Roadwork Development Grant Job Creation Commitments

Closeout Year	Total Roadwork Awards	Awards with Firm Job Commitments	Percentage
2019	38	0	0.0%
2018	34	0	0.0%
2017	32	3	9.4%
2016	58	34	58.6%
2015	41	26	63.4%

Loan Awards

The ODSA reported 22 loans with a closeout year of 2019 and a total combined value of \$18 million. Four (4) Loan Awards were selected for the Phase 3 terms and conditions evaluation. Supporting documentation for project expenses were evaluated to ascertain eligible costs and compliance with terms and conditions of the agreements. The AGO also reviewed the borrower’s payroll records to determine compliance with job creation and retention requirements. Finally, awardee files were reviewed to ensure compliance with timely loan repayments, equity contributions and proper insurance coverage.

Phase 3 testing identified one (1) additional award recipient that did not meet their payroll commitments. This award recipient received a \$2 million loan.

The AGO determined that 16 of the Loan Award recipients had complied with the terms and conditions of their agreement, representing an overall Loan Award compliance rate of 73 percent. **Noncompliant awardees had received a total of \$3.9 million in loans.**

- Figure 7 details the compliance rate of 2019 closeout Loan Awards by program type:

Loan Compliance Rate by Type

Type of Award	Amount of Award	Number of Award Type	Percentage Compliant
166 Direct	\$4,500,000	2	100%
Innovation Ohio	\$1,000,000	1	0%
Logistics and Distribution	\$3,500,000	1	100%
Minority Business Direct Fund Loan	\$289,913	2	50%
Regional 166 Direct	\$5,096,400	14	79%

Type of Award	Amount of Award	Number of Award Type	Percentage Compliant
Research and Development Investment	\$3,600,000	2	50%

- Figure 8 details the amount of loans given to noncompliant Loan Award recipients by type:

Loan Non-Compliance Amounts by Type

Type of Award	Noncompliant	Amount Noncompliant
166 Direct	0	\$0
Innovation Ohio	1	\$1,000,000
Logistics and Distribution	0	\$0
Minority Business Direct Fund Loan	1	\$168,750
Regional 166 Direct	3	\$762,500
Research and Development Investment	1	\$2,000,000

Out of the six (6) non-compliant loan recipients, remedial action by the ODSA is pending for five (5). The ODSA is considering potential interest rate increases for these five (5) non-compliant loans. The one (1) non-compliant loan discovered during Phase 3 testing would have been considered substantially compliant by the ODSA, and no remedial action would have been taken. Despite compliance determinations, unless otherwise forgiven by the ODSA⁴, all borrowers must repay the full value of their loans.

A list of award recipients that did not comply with the terms and conditions (including certain performance metrics) as well as the reasons for noncompliance and any remedial actions being taken by the ODSA can be found in Appendix 5.

⁴ Only one (1) loan with a 2019 closeout had language in the agreement that would allow the recipient to request loan forgiveness. This recipient's loan value was \$3.5 million. In order to receive loan forgiveness, the loan recipient needed to satisfy the following terms:

- (a) The Loan is in full force and effect and no Event of Default with respect to the Loan shall have occurred and is then continuing;
- (b) The Project has been fully constructed and completed, as certified in writing by Borrower and confirmed by the Director; and
- (c) The jobs commitment applicable to the Project Construction Period as set forth in the agreement.

AGO testing confirmed these terms were met.

Tax Credit Awards

The ODSA reported 87 Tax Credit Awards with a metric evaluation year of 2019 with a total initial claimed value of \$81.1 million.⁵ Thirteen (13) tax awards were selected for the Phase 3 evaluation of terms and conditions. To determine compliance, the AGO reviewed total employee payroll, including Ohio-specific payroll; Ohio income taxes paid by the awardees; and total number of full-time equivalent employees. Additionally, the AGO independently recalculated the tax credit for all 2019 closeouts and confirmed amounts with the ODSA awards.

The AGO determined that recipients of 44 Tax Credit Awards with a 2019 metric evaluation year were compliant, having met all of commitments outlined in their award agreements. The findings resulted in an overall Tax Credit Award compliance rate of 51 percent. **Noncompliant awardees had received a total of \$29.05 million in tax credits.**

Phase 3 testing did not identify any additional noncompliance.

- Figure 9 details the compliance rate of 2019 closeout Tax Credit Awards:

Tax Credit Compliance Rate

Type of Award	Amount of Awards	Count of Award	Percent Compliant
Job Creation	\$92,750,668	87	51%

- Figure 10 details the amount of tax credits given to noncompliant awardees:

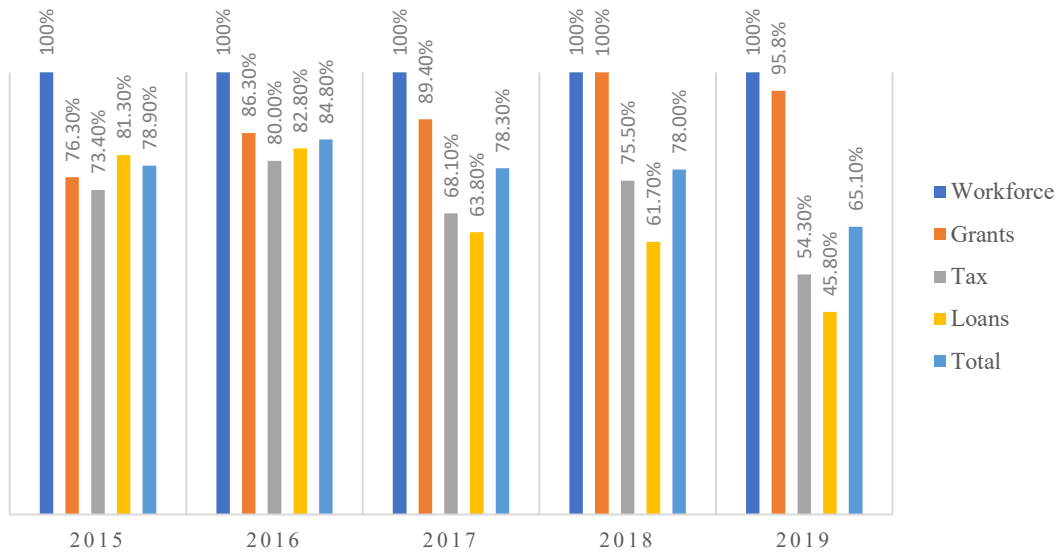
Tax Credit Noncompliance Amount

Type of Award	Noncompliant	Amount Noncompliant
Job Creation	43	\$29,055,338

At the discretion of the ODSA, remedial actions may be taken for tax credit awardees that failed to meet either job creation or overall payroll commitments. A list of recipients that did not comply with the terms and conditions (including performance metrics) of award agreements as well as the reasons for noncompliance and any remedial actions being taken by the ODSA can be found in Appendix 6.

⁵ Per Development.ohio.gov Tax Incentive Reporting Module

Appendix 1: Previous Five Years' Compliance Rates



2019 Report Compliance Rates

Overall Compliance Rate	65.1%	(97/149)
Workforce Compliance Rate	100%	(1/1)
Workforce Training Grant	100%	(1/1)
Grant Compliance Rate	95.3%	(41/43)
Rapid Outreach	100%	(3/3)
Roadwork Development	100%	(34/34)
Economic Development Contingency	80%	(4/5)
Business Investment	0%	(0/1)
Tax Credit Compliance Rate	54.3%	(44/81)
Job Creation Tax Credit	54.3%	(44/81)
Loan Compliance Rate	45.8%	(11/24)
166 Direct	100%	(2/2)
Regional 166 Direct	43.8%	(7/16)
Innovation Ohio Loan	25%	(1/4)
Logistics & Distribution	50%	(1/2)

2018 Report Compliance Rates

Overall Compliance Rate	78%	(145/186)
Workforce Compliance Rate	100%	(3/3)
Workforce Training Grant	100%	(2/2)
Ohio Workforce Guarantee	100%	(1/1)
Grant Compliance Rate	100%	(42/42)
Rapid Outreach	100%	(4/4)
Roadwork Development	100%	(32/32)
Economic Development Contingency	100%	(4/4)
Business Investment	100%	(2/2)
Tax Credit Compliance Rate	76%	(71/94)
Job Creation Tax Credit	76%	(71/94)
Loan Compliance Rate	62%	(29/47)
166 Direct	64%	(7/11)
Regional 166 Direct	83%	(10/12)
Research & Development Investment	60%	(3/5)
Innovation Ohio Loan	11%	(1/9)
Ohio Enterprise Bond Fund	86%	(6/7)
Logistics & Distribution	100%	(2/2)
Minority Business Direct Fund	0%	(0/1)

2017 Report Compliance Rates

Overall Compliance Rate	78%	(213/272)
Workforce Compliance Rate	100%	(11/11)
Workforce Training Grant	100%	(10/10)
Ohio Workforce Guarantee	100%	(1/1)
Grant Compliance Rate	89%	(110/123)
Rapid Outreach	80%	(36/45)
Roadwork Development	100%	(58/58)
Economic Development Contingency	84%	(16/19)
Business Investment	0%	(0/1)
Tax Credit Compliance Rate	68%	(62/91)
Job Creation Tax Credit	67%	(59/88)
Job Retention Tax Credit	100%	(3/3)
Loan Compliance Rate	64%	(30/47)
166 Direct	67%	(6/9)
Regional 166 Direct	94%	(17/18)
Research & Development Investment	50%	(2/4)
Innovation Ohio Loan	17%	(2/12)
Ohio Enterprise Bond Fund	100%	(2/2)
Logistics & Distribution	50%	(1/2)

2016 Report Compliance Rates

Overall Compliance Rate	85%	(279/329)
Workforce Compliance Rate	100%	(33/33)
Workforce Training Grant	100%	(20/20)
Ohio Workforce Guarantee	100%	(13/13)
Grant Compliance Rate	86%	(101/117)
Rapid Outreach	75%	(39/52)
Roadwork Development	100%	(41/41)
Economic Development Contingency	89%	(16/18)
Business Investment	83%	(5/6)
Tax Credit Compliance Rate	80%	(92/115)
Job Creation Tax Credit	80%	(90/113)
Job Retention Tax Credit	100%	(2/2)
Loan Compliance Rate	83%	(53/64)
166 Direct	78%	(14/18)
Regional 166 Direct	96%	(22/23)
Research & Development Investment	100%	(4/4)
Innovation Ohio Loan	33%	(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

Overall Compliance Rate	79%	(269/341)
Workforce Compliance Rate	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%	(58/76)
Rapid Outreach	65%	(26/40)
Roadwork Development	92%	(23/25)
Economic Development Contingency	82%	(9/11)
Tax Credit Compliance Rate	73%	(116/158)
Job Creation Tax Credit	72%	(107/149)
Job Retention Tax Credit	100%	(9/9)
Loan Compliance Rate	81%	(52/64)
166 Direct	77%	(10/13)
Regional 166 Direct	93%	(25/27)
Research & Development Investment	100%	(2/2)
Innovation Ohio Loan	56%	(5/9)
Ohio Enterprise Bond Fund	83%	(5/6)
Minority Business Direct Fund	33%	(1/3)
Logistics & Distribution	100%	(4/4)

Appendix 2: Ohio Development Services Agency Director Letter



Development
Services Agency

Mike DeWine, Governor
Jon Husted, Lt. Governor

Lydia L. Mihalik, Director

December 28, 2020

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

Dear Attorney General Yost,

Thank you for your partnership in reviewing the performance of economic development incentive agreements that were due to be evaluated in calendar year 2019. Our team at Development works diligently each year to provide thorough records for this independent review.

The overall performance of these economic development incentives shows consistent results. Ohio businesses delivered more than \$5 billion in new investment and opportunities for Ohio families with the creation and retention of more than 36,000 jobs. These metrics, taken as a whole, far exceed the overall business commitments of 31,855 jobs (a 113.1% overall compliance rate) and \$2,931,139,988 in investment (a 170.5% overall compliance rate). We are proud to provide a service that brings a strong return on the taxpayers' investment.

Development has historically deemed companies compliant if they have reached at least 90% of the metrics outlined in their agreements. Using this definition, an additional 15 tax credits and one loan were compliant for 2019, raising the total compliance rate to 77%.

It is important to note that the largest incentive included in this report, the Job Creation Tax Credit, is a performance-based program, meaning businesses must create jobs and payroll to receive the tax credit benefit. A claimed tax credit can only be based on the new payroll actually created, rather than the commitment number, so that even awards deemed non-compliant do not negatively impact the taxpayer. A similar point can be made about Roadwork Development Grants. Local communities use these grants to improve local infrastructure to support economic development and bolster job creation. The metric used to determine compliance for the grant is the completion of the public roadwork. To hold local governments accountable for job creation outside of its control is extremely punitive and not a realistic metric for an infrastructure grant. Since the infrastructure improvements are always public roadways, they benefit the public and could bolster future economic development projects.

This has been an unprecedented year, and I am confident that Ohio is in a position of strength for recovery. Together, we will continue to ensure the accountability and transparency of state incentives and protect taxpayer investments. Thank you for your partnership, and we look forward to working with you in 2021.

Sincerely,

A handwritten signature in blue ink that reads "Lydia Mihalik".

Lydia Mihalik
Director
Ohio Development Services Agency

Appendix 3: Breakdown of Roadwork Development Award Recipients

Roadwork Development Awardees with No Firm Commitments		
Belmont County Port Authority	City of Portsmouth	Toledo Lucas County Port Authority
Belmont County Port Authority	City of Shaker Heights	Union County Board of Commissioners
City of Athens	City of Twinsburg	Village of Ada
City of Blue Ash	City of Wapakoneta	Village of Carey
City of Columbus	City of Wooster	Village of Carey
City of Defiance	Clark County Engineer	Village of Fort Loramie
City of Findlay	Etna Township	Village of Mingo Junction
City of Grandview Heights	Hancock County Commissioners	Village of Obetz
City of Lebanon	Hancock County Commissioners	Williams County Engineer
City of Mason	Lawrence County Economic Development Corporation	Wood County Port Authority
City of Middleburg Heights	Montgomery County Transportation Improvement District	Wyandot County Commissioners
City of Moraine	Ottawa County Engineer's Office	
City of Norwalk	Seneca County Engineer's Office	

Roadwork Development Award Recipients with Award Amendments that Changed Required Job Commitments from Firm to Aspirational
City of Westlake

Appendix 4: Noncompliant Grant Award Recipients

Award Recipient	Location	Program Type	Total Amount Received	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
Biosortia Pharmaceuticals, Inc	Marysville / Union Co.	Legacy Rapid Outreach Grant	\$130,000.00	Jobs created: 90 Jobs retained: 20	Jobs created: 10 Jobs retained: 0	Failure to create and retain jobs	Pending	Potential clawback of funds received
Meggitt-USA Services, Inc	Akron / Summit Co.	Legacy Rapid Outreach Grant	\$32,000.00	Jobs created: 32 Jobs retained: 0	Jobs created: 26 Jobs retained: 0	Failure to create jobs	Pending	Potential clawback of funds received
City of Oregon - 2016 Closeout	Oregon / Lucas Co.	Roadwork Development (629) Grant	\$3,000,000	Jobs created: 0 Jobs retained: 550	Jobs created: 0 Jobs retained: 0	Failure to retain jobs	No action taken	Roadwork was completed

Appendix 5: Noncompliant Loan Award Recipients

Award Recipient	Location	Program Type	Total Amount Awarded	Commitments	Performance	Reason for Non-Compliance	Loan Status as of 12/07/2020	Remedial Action	ODSA Comments
Big Heart Pet Inc	Orrville / Wayne Co.	Research & Development Investment Loan Fund Program	\$2,000,000	Jobs created: 400 Jobs retained: 0 Payroll: \$40,000,000	Jobs created: 400 Jobs retained: 0 Payroll: \$37,453,332	Failure to create payroll	Current	No action taken	ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Burkett Commercial Properties, LLC	Perrysburg / Wood Co.	Regional 166 Direct Loan Program	\$500,000	Jobs created: 10 Jobs retained: 50	Jobs created: 3 Jobs retained: 50	Failure to create jobs	Current	Pending	Potential interest rate increase
Hamlin Newco, LLC	Akron / Summit Co.	Minority Business Direct Fund Loan	\$168,750	Jobs created: 10 Jobs retained: 81	Jobs created: 0 Jobs retained: 65	Failure to create and retain jobs	Current	Pending	Potential interest rate increase
Intwine Connect LLC	Cleveland / Cuyahoga Co.	Innovation Ohio Loan Fund Program (IOLF)	\$1,000,000	Jobs created: 25 Jobs retained: 6	Jobs created: 8 Jobs retained: 6	Failure to create jobs	Current	Pending	Potential interest rate increase
L&S LLC	Youngstown / Mahoning Co.	Regional 166 Direct Loan Program	\$112,500	Jobs created: 1 Jobs retained: 4	Jobs created: 0 Jobs retained: 3	Failure to create and retain jobs	Current	Pending	Potential interest rate increase
NanoSpense LLC	Kettering / Montgomery Co.	Regional 166 Direct Loan Program	\$150,000	Jobs created: 3 Jobs retained: 7	Jobs created: 1 Jobs retained: 7	Failure to create jobs	Current	Pending	Potential interest rate increase
Westwood Fabrication & Sheetmetal, Inc - 2018 Closeout	Dayton / Montgomery Co.	Regional 166 Direct Loan	\$242,000	Jobs created: 6 Jobs retained: 22	Jobs created: 2 Jobs retained: 22	Failure to create jobs	Current	No action taken	No action taken at this time

Appendix 6: Noncompliant Tax Credit Award Recipients

Award Recipient	Location	Program Type	Total Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
A.J.M. Packaging Corporation	Belleview / Sandusky Co.	Job Creation Tax Credit	\$37,560	Jobs created: 150 Jobs retained: 0 New payroll: \$4,486,560	Jobs created: 7 Jobs retained: 0 New payroll: \$484,155	Failure to create jobs and generate sufficient new payroll	Reduce the term of the credit to 3 years, ending 12/31/2019	
Alex Products, Inc.	Ridgeville Corners / Paulding Co.	Job Creation Tax Credit	\$48,577	Jobs created: 100 Jobs retained: 735 New payroll: \$2,912,000	Jobs created: 0 Jobs retained: 670 New payroll: \$851,295	Failure to create jobs, retain jobs and generate sufficient new payroll	Reduce the term of the credit to 3 years, ending 12/31/2019	
Ascendum Solutions LLC	Springdale / Hamilton Co.	Job Creation Tax Credit	\$0	Jobs created: 120 Jobs retained: 75 New payroll: \$6,365,400	Jobs created: 0 Jobs retained: 44 New payroll: \$0	Failure to create jobs, retain jobs and generate new payroll	Pending, remedial action in early 2021	
Bell Ohio Inc	Groveport / Franklin Co.	Job Creation Tax Credit	\$82,293	Jobs created: 55 Jobs retained: 0 New payroll: \$2,715,884	Jobs created: 55 Jobs retained: 0 New payroll: \$2,619,178	Failure to generate sufficient new payroll		ODSA determined entity was substantially compliant, having met at least 90% of all commitments

Award Recipient	Location	Program Type	Total Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
Bleckmann USA LLC	Johnstown / Licking Co.	Job Creation Tax Credit	\$64,512	Jobs created: 200 Jobs retained: 0 New payroll: \$5,824,000	Jobs created: 93 Jobs retained: 0 New payroll: \$3,287,146	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 0.95%, effective 1/1/2020 and reduce term to 6 years	
Brothers Trading Co., Inc.	Springboro / Warren Co.	Job Creation Tax Credit	\$50,588	Jobs created: 50 Jobs retained: 225 New payroll: \$2,500,000	Jobs created: 19 Jobs retained: 225 New payroll: \$4,155,253	Failure to create jobs	Reduce the rate to 1.0%, effective 1/1/2020	
Butler Animal Health Supply, LLC	Columbus / Franklin Co.	Job Creation Tax Credit	\$253,425	Jobs created: 150 Jobs retained: 178 New payroll: \$9,222,377	Jobs created: 154 Jobs retained: 178 New payroll: \$7,607,415	Failure to generate sufficient new payroll		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Ccl Label, Inc.	New Albany / Licking Co.	Job Creation Tax Credit	\$85,588	Jobs created: 80 Jobs retained: 0 New payroll: \$3,600,000	Jobs created: 63 Jobs retained: 0 New payroll: \$3,401,016	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 1.1%, effective 1/1/2020	
Claritas LLC	Cincinnati / Hamilton Co.	Job Creation Tax Credit	\$73,779	Jobs created: 40 Jobs retained: 7 New payroll: \$3,600,000	Jobs created: 29 Jobs retained: 7 New payroll: \$2,950,238	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 1.55%, effective 1/1/2020	

Award Recipient	Location	Program Type	Total Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
Creative Plastic Concepts, LLC	Sycamore / Wyandot Co.	Job Creation Tax Credit	\$89,335	Jobs created: 25 Jobs retained: 95 New payroll: \$1,500,000	Jobs created: 35 Jobs retained: 95 New payroll: \$1,367,802	Failure to generate sufficient new payroll		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Dealer Tire, LLC	Cleveland / Cuyahoga Co.	Job Creation Tax Credit	\$256,940	Jobs created: 125 Jobs retained: 448 New payroll: \$10,000	Jobs created: 61 Jobs retained: 448 New payroll: \$643,821	Failure to create jobs	Reduce the rate to 1.8%, effective 1/1/2020	
Denso International America, Inc.	Dublin / Franklin Co.	Job Creation Tax Credit	\$97,610	Jobs created: 13 Jobs retained: 37 New payroll: \$1,287,284	Jobs created: 10 Jobs retained: 37 New payroll: \$2,164,925	Failure to create jobs		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Dura-Line Corporation	Elyria / Lorain Co.	Job Creation Tax Credit	\$96,658	Jobs created: 60 Jobs retained: 129 New payroll: \$2,265,000	Jobs created: 25 Jobs retained: 129 New payroll: \$2,084,623	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 1.7%, effective 1/1/2020	
Dwellworks, LLC	Cleveland / Cuyahoga Co.	Job Creation Tax Credit	\$1,359	Jobs created: 41 Jobs retained: 100 New payroll: \$1,640,000	Jobs created: 8 Jobs retained: 100 New payroll: \$0	Failure to create jobs and generate new payroll	Reduce the term of the credit to 3 years, ending 12/31/2019	
EBTH.COM LLC	Cincinnati / Hamilton Co.	Job Creation Tax Credit	\$0	Jobs created: 275 Jobs retained: 97 New payroll: \$7,700,000	Jobs created: 0 Jobs retained: 0 New payroll: \$0	Failure to submit 2019 annual report	Company is voluntarily terminating the tax credit agreement	

Award Recipient	Location	Program Type	Total Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
ElectroCraft Ohio, Inc.	Gallipolis / Gallia Co.	Job Creation Tax Credit	\$579	Jobs created: 30 Jobs retained: 135 New payroll: \$853,132	Jobs created: 20 Jobs retained: 135 New payroll: \$1,632,946	Failure to create jobs		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Exel, Inc.	Obetz / Franklin Co.	Job Creation Tax Credit	\$619,493	Jobs created: 400 Jobs retained: 0 New payroll: \$13,312,000	Jobs created: 395 Jobs retained: 0 New payroll: \$13,086,371	Failure to create jobs and generate sufficient new payroll		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Healthcarousel, Llc	Miami Township / Montgomery Co.	Job Creation Tax Credit	\$124,530	Jobs created: 60 Jobs retained: 25 New payroll: \$2,100,000	Jobs created: 36 Jobs retained: 25 New payroll: \$2,745,451	Failure to create jobs	No change to rate or term	
Homeside Financial, LLC	New Albany / Franklin Co.	Job Creation Tax Credit	\$108,672	Jobs created: 150 Jobs retained: 116 New payroll: \$9,450,000	Jobs created: 77 Jobs retained: 116 New payroll: \$8,463,963	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 1.776%, effective 1/1/2020	
Huckberry, Inc.	Columbus / Franklin Co.	Job Creation Tax Credit	\$33,629	Jobs created: 158 Jobs retained: 0 New payroll: \$5,226,000	Jobs created: 36 Jobs retained: 0 New payroll: \$1,364,421	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 0.9%, effective 1/1/2020 and reduce term to 5 years	

Award Recipient	Location	Program Type	Total Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
Infoverity, LLC	Dublin / Franklin Co.	Job Creation Tax Credit	\$108,352	Jobs created: 40 Jobs retained: 22 New payroll: \$3,200,000	Jobs created: 38 Jobs retained: 22 New payroll: \$2,691,584	Failure to create jobs and generate sufficient new payroll		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
King's Command Foods, LLC	Versailles / Darke Co.	Job Creation Tax Credit	\$79,019	Jobs created: 160 Jobs retained: 47 New payroll: \$4,653,480	Jobs created: 82 Jobs retained: 47 New payroll: \$3,197,527	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 0.964%, effective 1/1/2020	
Magretech, LLC	Bellevue / Sandusky Co.	Job Creation Tax Credit	\$54,260	Jobs created: 35 Jobs retained: 28 New payroll: \$1,660,568	Jobs created: 0 Jobs retained: 0 New payroll: \$0	Failure to submit 2019 annual report	Pending, remedial action in early 2021	
Masters Pharmaceutical, Inc.	Mason / Warren Co.	Job Creation Tax Credit	\$485,287	Jobs created: 100 Jobs retained: 229 New payroll: \$5,200,000	Jobs created: 80 Jobs retained: 229 New payroll: \$26,860,640	Failure to create jobs		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
McLane Company, Inc.	Findlay / Hancock Co.	Job Creation Tax Credit	\$1,265,249	Jobs created: 425 Jobs retained: 0 New payroll: \$24,225,000	Jobs created: 397 Jobs retained: 0 New payroll: \$28,360,047	Failure to create jobs		ODSA determined entity was substantially compliant, having met at least 90% of all commitments

Award Recipient	Location	Program Type	Total Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
MCM CPAs & Advisors LLP	Cincinnati / Hamilton Co.	Job Creation Tax Credit	\$50,143	Jobs created: 64 Jobs retained: 28 New payroll: \$4,800,000	Jobs created: 19 Jobs retained: 28 New payroll: \$2,095,964	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 1.0%, effective 1/1/2020 and reduce term to 5 years	
NDC Technologies, Inc.	Dayton / Montgomery Co.	Job Creation Tax Credit	\$102,941	Jobs created: 42 Jobs retained: 73 New payroll: \$3,090,815	Jobs created: 35 Jobs retained: 73 New payroll: \$3,323,627	Failure to create jobs		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Nelson Packaging Company, Inc.	Lima / Allen Co.	Job Creation Tax Credit	\$44,910	Jobs created: 140 Jobs retained: 211 New payroll: \$3,680,000	Jobs created: 84 Jobs retained: 211 New payroll: \$1,860,403	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 0.9%, effective 1/1/2020	
NuVasive Manufacturing, LLC	West Carrolton / Montgomery Co.	Job Creation Tax Credit	\$616,768	Jobs created: 195 Jobs retained: 97 New payroll: \$9,200,000	Jobs created: 191 Jobs retained: 97 New payroll: \$12,303,199	Failure to create jobs		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Phillips Edison & Company Ltd.	Cincinnati / Hamilton Co.	Job Creation Tax Credit	\$422,091	Jobs created: 65 Jobs retained: 181 New payroll: \$5,500,000	Jobs created: 35 Jobs retained: 181 New payroll: \$10,151,582	Failure to create jobs	No change to rate or term	

Award Recipient	Location	Program Type	Total Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
RHBA Acquisitions, LLC	Shreve / Wayne Co.	Job Creation Tax Credit	\$9,640	Jobs created: 30 Jobs retained: 53 New payroll: \$748,800	Jobs created: 15 Jobs retained: 53 New payroll: \$744,677	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 0.625%, effective 1/1/2020	
Risk International Services, LLC	Fairlawn / Summit Co.	Job Creation Tax Credit	\$81,413	Jobs created: 18 Jobs retained: 35 New payroll: \$1,300,000	Jobs created: 17 Jobs retained: 35 New payroll: \$2,619,266	Failure to create jobs		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Steiner eOptics, Inc	Miamisburg / Montgomery Co.	Job Creation Tax Credit	\$74,867	Jobs created: 99 Jobs retained: 21 New payroll: \$4,275,000	Jobs created: 60 Jobs retained: 21 New payroll: \$2,759,214	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 1.2%, effective 1/1/2020	
Stolle Machinery Company, LLC	Dayton / Montgomery Co.	Job Creation Tax Credit	\$40,092	Jobs created: 40 Jobs retained: 40 New payroll: \$2,000,000	Jobs created: 23 Jobs retained: 40 New payroll: \$1,316,944	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 1.05%, effective 1/1/2020	
The Lima Pallet Company, Inc.	Lima / Allen Co.	Job Creation Tax Credit	\$1,783	Jobs created: 20 Jobs retained: 47 New payroll: \$665,000	Jobs created: 10 Jobs retained: 47 New payroll: \$212,983	Failure to create jobs and generate sufficient new payroll	Reduce the term of the credit to 3 years, ending 12/31/2019	
The Sophic Group, Inc.	Columbus / Franklin Co.	Job Creation Tax Credit	\$56,317	Jobs created: 30 Jobs retained: 26 New payroll: \$2,700,000	Jobs created: 13 Jobs retained: 26 New payroll: \$1,414,274	Failure to create jobs and generate sufficient new payroll	Reduce the rate to 1.3%, effective 1/1/2020	

Award Recipient	Location	Program Type	Total Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
The Worthington Steel Company	Delta / Fulton Co.	Job Creation Tax Credit	\$69,956	Jobs created: 26 Jobs retained: 175 New payroll: \$1,480,836	Jobs created: 42 Jobs retained: 175 New payroll: \$1,419,636	Failure to generate sufficient new payroll		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
TV One Broadcast Sales Corp	Cincinnati / Hamilton Co.	Job Creation Tax Credit	\$5,295	Jobs created: 34 Jobs retained: 0 New payroll: \$1,789,000	Jobs created: 15 Jobs retained: 0 New payroll: \$604,993	Failure to create jobs and generate sufficient new payroll	Reduce the term of the credit to 3 years, ending 12/31/2019	
Ultimus Fund Solutions Llc	Cincinnati / Hamilton Co.	Job Creation Tax Credit	\$4,361	Jobs created: 100 Jobs retained: 140 New payroll: \$6,000,000	Jobs created: 37 Jobs retained: 140 New payroll: \$292,233	Failure to create jobs and generate sufficient new payroll	Reduce the term of the credit to 3 years, ending 12/31/2019	
US Bank National Association	Columbus / Delaware Co.	Job Creation Tax Credit	\$353,979	Jobs created: 160 Jobs retained: 9 New payroll: \$1,080,512	Jobs created: 94 Jobs retained: 9 New payroll: \$9,065,338	Failure to create jobs	Reduce the rate to 1.5%, effective 1/1/2020	
Wayne Trail Technologies Inc	Fort Loramie / Shelby Co.	Job Creation Tax Credit	\$42,627	Jobs created: 50 Jobs retained: 170 New payroll: \$375,000	Jobs created: 44 Jobs retained: 170 New payroll: \$2,132,303	Failure to create jobs		ODSA determined entity was substantially compliant, having met at least 90% of all commitments
Woodpeckers, Inc.	Strongsville / Cuyahoga Co.	Job Creation Tax Credit	\$109,672	Jobs created: 50 Jobs retained: 57 New payroll: \$2,333,760	Jobs created: 37 Jobs retained: 57 New payroll: \$1,720,414	Failure to create jobs and generate sufficient new payroll	No change to rate or term	

Award Recipient	Location	Program Type	Total Tax Credits	Commitments	Performance	Reason for Non-Compliance	Remedial Action	ODSA Comments
Worldpay, LLC.	Cincinnati / Hamilton Co.	Job Creation Tax Credit	\$22,851,189	Jobs created: 954 Jobs retained: 830 New payroll: \$41,500,000	Jobs created: 855 Jobs retained: 830 New payroll: \$283,064,865	Failure to create jobs		ODSA determined entity was substantially compliant, having met at least 90% of all commitments



DAVE YOST
OHIO ATTORNEY GENERAL

**2020 REPORT TO THE GENERAL ASSEMBLY:
COMPLIANCE WITH STATE AWARDS
FOR ECONOMIC DEVELOPMENT**

Ohio Attorney General's Office

30 E. Broad St. 17th Floor

Columbus, OH 43215

800-282-0515

www.OhioAttorneyGeneral.gov