

Tax Incentive Review Council - 2018 Incentive Analysis & Minutes - November 27, 2018 - 8:30 a.m.

115 Executive Parkway, Hudson Conference Room

Community Reinvestment Area Incentive (CRA)

Members Present: Jim Stifler, Chief Economic Officer; Dexter James, Citizen member; Jeff Knoblauch, Finance Director; Bill Wooldredge, Council-At-Large; Nicole Alverson, Hudson Chamber of Commerce President; Dave Zuro, Hudson School Board President; Stacy Vavruska, Summit County Fiscal Office

Company	Incentive Approved	Term	Tax Year	Collection Year	Project	Employee Benchmarks	Payroll Benchmark	2017 Update	2018 Update	2018 TIRC Vote	Notes
Mental Health Partners, LLC dba Assurance Health	2/7/2017	50%, 15 years	2018-2032	2019-2033 (ending on 12/31/2033)	Construction of 13,250 s.f. medical facility building	Create 45 FTEs within 5 months after completion of new facility	\$3,200,000	n/a	60 FTEs created as of 12/31/18. New payroll currently at \$2,456,512.00	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	Payroll figure is for FTE's only. Temp furlough is over. Meets
ForTec Medical	1/17/2017	100%, 15 years	2018-2032	2019-2033 (ending on 12/31/2033)	Construction of 70,000 s.f. corporate national headquarters facility	Retain 70 FTEs and 13 PTEs, create 50 new FTEs within 60 months of occupancy	\$8,500,000 annual payroll of existing jobs - additional \$835,000 for 50 new FTEs	n/a	Hudson FTE's up to 83. New Hudson FTE count is 10 with a payroll of \$410,750.00. Total annual payroll is \$8,500,000.00	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	meets
Hudson 21, LLC	10/18/2016	50%, 15 years	Not activated for TY 2018	2020-2034 (ending on 12/31/2034)	Construct a 21,600 sq.ft. commercial/industrial facility in Hudson Crossings	Create 50 new FTEs within 36 months of the completion of the facility	\$1,300,000.00	n/a project still under construction	Goldfish Swim School created 8 FTEs and an annual payroll of \$400,000.00. New Nursery School late '18 will add to numbers next year. Two spaces remaining in this building.	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	still filling
Hudson 125, LLC	6/19/2016	100%, 15 years	2018-2032	2019-2033 (ending on 12/31/2033)	Construct a 125,000 sq.ft. commercial/industrial facility in Hudson Crossings	Create 60 new FTEs within 36 months of the completion of the facility	\$3,000,000.00	n/a project still under construction	Two tenants at this location. Universal Screen Arts has 41 FTEs with annualized payroll of \$1,107,000.00. Alpha Technologies is also a tenant with 73 employees and an annualized payroll of \$6,751,561.00. Building totals = 114 FTE's and \$7,858,561 in payroll.	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	meets
RAMCO, LLC	2/3/2015	100%, 15 years	2016-2030	2017-2031 (ending on 12/31/31)	Construction of 165,000 sf building	Retain 120 FTEs, create 20 new FTEs within 48 months after occupancy	\$6,100,000	Current FTE is 132. Payroll has risen to \$5.6 million. 10 new jobs added since agreement went in place, 119 jobs retained. New joint venture with RAM-BUL	Current FTE is at 147. Annual payroll at \$6,079,818. Mark Gamble attending on behalf of RAMCO	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	meets
Hudson Park LLC (Universal Screen Arts)	12/31/2003	100%, 15 years	2004-2018	2005-2019 (ending on 12/31/19)	Contstruction of 77,000 sf HQ and warehouse facility (consolidating 3 other facilities in Hudson).	Relocate 104 FTEs, Create 16 new FTEs within 36 months of occupancy	\$3,900,000 for existing FTEs, add'l \$330,271 for new FTEs	Current FTE is 113 and 7 PTE. Payroll is at \$6,671,870. Employees recently transferred from Twinsburg facility to new Hudson location include 20 FTE and 1 PTE with add'l payroll of \$1,013,873 bringing total payroll to \$7,775,743	Total FTEs as of 10/27/18 is 136. Current FTE payroll at \$6,689,000.00	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	Incentive expires this year end.They have met their commitment for real property investment.
Face-Off, LLC (WBC Group DBA Meyer Distributing)	8/10/2010	100%, 15 years	2012-2026	2013-2027 (ending on 12/31/27)	Construction of a 62,000 sf HQ and Distribution Center in Hudson Crossings. The company committed to an investment of \$5M for the construction	Create 140 FTEs within 36 months of occupancy	\$6,700,000	Current FTE is 163 with 10 open positions. Payroll at \$11.6M.	Liz Cross, Controller, attending on behalf of MeyerDC	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	The company has met their commitment for real property investment as well as payroll/jobs commitment

Job Creation Grants

Company	Incentive Approved	% Abatement	Tax Year	Payment Yea	Project	Employee Benchmarks	Payroll Benchmark	2017 Update	2018 Update		Notes
WBC Group DBA Meyer Distributing	5/19/2010	8 years - 50% of income tax paid by new employees	2012-2019	2013-2020	Construction of a 62,000 sf HQ and Distribution Center in Hudson Crossings. The company committed to an investment of \$5M for the construction	Create 140 FTEs within 36 months of occupancy	\$6,700,000	Payroll of \$11.6 million exceeds incentive cap of \$10,050,000. Tax Credit payment is capped	Liz Cross, Controller, attending on behalf of MeyerDC	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	meets. Capped.
Yxlon International	6/4/2014	5 years - 30% of income tax paid by new employees	2015-2019	2016-2020	Lease and equip 11,185 sq. ft. of office space at 5675 Hudson Industrial Parkway to house operation and associated office facilities	Create 15 FTEs within 16 months	\$1,340,000	16 FTE's 3 new - 2017. Payroll \$1,450,000.00	Current FTEs at 15. Payroll at \$1,200,000.00.	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	meets
Argos Health, Inc. (CompMed Analysis)	10/13/2015	4 years - 25% of income tax paid by new employees	2016-2019	2017-2020	Growing operations and creating additional employment opportunities within Hudson boundaries	Create 10 FTEs and 11 PTEs within 36 months	\$500,000	FTE is at 41. PTE is at 9. Payroll to date stands at \$2,040,000	FTE is at 38. Payroll for new FTEs at \$1,450,000.00	CONTINUE Motion - Mr. Wooldredge. Second - Mr. Zuro VOTE: Unanimous	meets

Upcoming for 2019:

Job Creation Grant - OnSearch Partners
CRA- Hudson 42
CRA - CEIA USA, Ltd.

