

Tax Incentive Review Council

MEETING MINUTES

March 7, 2023 – 9:00 a.m.

City Hall – City Manager’s Conference Room

Members Present: Chris Foster, Council President; Nicole Alverson, Hudson Chamber of Commerce; Thomas Sheridan, City Manager; Jeff Knoblauch, Assistant City Manager – Finance; Dexter James, Citizen Representative; Stacy Vavruska, Summit County Fiscal Office

Others Present: Katie Behnke, Economic Development Manager; Erin Schaad, Business Operations Manager; Phillip Butto, Chief Financial Officer & Treasurer Hudson City Schools; Business Representatives as listed below for their presentation time only

- 9:15 a.m. JCG – OnSearch Partners, LLC**
Address: 102 First Street, Suite 201, Hudson, OH 44236
Presenting: Greg Kleeh, COO
Discussion: Mrs. Behnke summarized the incentive is a 50%, six year Jobs Creation Grant in its fourth year of review. The 2022 FTEs and payroll dollars are both below the commitment in the agreement, however the payroll was within \$2,000 of the minimum requirement to earn a 35% grant. Mr. Kleeh commented that ON Partners is committed to their Hudson presence with another three years on their lease in First & Main. The business has implemented a policy to require two days back in the office for improved collaboration which will improve their 2023 actuals. Mr. Foster inquired about their other office locations. Mr. Kleeh confirmed that their Atlanta and Dallas offices are experiencing a similar challenge returning to full capacity in office.
- 9:30 a.m. JCG – FleetHQ Partners, LLC (dba Fleet Response)**
Address: 695 Boston Mills Road, Hudson, OH 44236
Presenting: Mark Genger, VP Risk and Finance
Discussion: Mrs. Behnke summarized the incentive is a 50%, ten-year Jobs Creation Grant in its first year of review. The 2022 FTEs were just 5 short of the commitment, but well over the minimum required for payout while the payroll dollars far exceed the commitment. Mr. Genger commented that the team is looking to continue to bring employees back to the office including through employee training days like the one going on the same day. Additionally, Fleet Response is actively trying to fill open positions.
- 9:45 a.m. JCG – Diebold Nixdorf, Inc.**
Address: 50 Executive Parkway, Hudson, OH 44236
Presenting: Jonathan Noe – VP People Partner – Americas; Mike Jacobsen, Senior Director, Corporate Communications
Discussion: Mrs. Behnke summarized the incentive is a 50%, ten-year Jobs Creation Grant in its first year of review. The 2022 FTEs did not meet their commitment, while the payroll dollars exceed the commitment. Mr. Jacobsen noted that Diebold Nixdorf is actively looking to fill open roles and is continuing to develop a return to office policy

that encourages new hires to spend more time in the office without isolating existing employees that prefer to continue working from home. Mrs. Behnke inquired whether their previous space in the City of Green has a new tenant to clarify the City of Hudson responsibility to participate in income tax sharing with that community for 2022. Mr. Jacobsen and Mr. Noe confirmed that Diebold Nixdorf still occupies a portion of that space while their production facility completes construction and no other tenant has occupied their office space.

- 10:00 a.m. JCG – Base Holdings, LCC and Open Practice Solutions, LTD (dba Etactics)**
Address: 300 Executive Parkway West, Suite 300, Hudson, OH 44236
Presenting: Carl DeSiato, Chief Financial Officer, E-Tactics; Bill Salm, President, E-Tactics
Discussion: Mrs. Behnke summarized the incentive is a 50%, ten-year Jobs Creation Grant in its first year of review. The 2022 FTEs were just .5 short of the commitment, but well over the minimum required for payout while the payroll dollars far exceed the commitment. Mr. Salm gave an overview of the business and strategy and commented that an additional three to four employees were scheduled to start with the business in the next week.
- 10:15 a.m. CRA - ForTec Medical, Inc.**
Address: 6245 Hudson Crossing Parkway, Hudson, OH 44236
Presenting: David Henison, Chief Financial Officer, JoAnn Vosburgh, Outgoing Chief Financial Officer
Discussion: Mrs. Behnke summarized the incentive is a 100%, fifteen-year Community Reinvestment Area in its fifth year of review. The business is short of the FTE commitment for 2022 but has far exceeded the payroll commitment. Additionally, the business exceeded all commitments in each of the four prior reviews. Mr. Henison commented that the ForTec Medical is committed to retaining their headquarters in Hudson and the decline in the number of FTEs is reflective of 2022 being the first year of reporting work from home wages to other municipalities.
- 10:30 a.m. CRA - RAMCO, LLC**
Address: 5445 Hudson Industrial Parkway, Hudson, OH 44236
Presenting: Bob Businger, Corporate Controller
Discussion: Mrs. Behnke summarized the incentive is a 100%, fifteen-year Community Reinvestment Area in its seventh year of review. The business is short of the FTE commitment for 2022 but has far exceeded the payroll commitment. Mr. Businger shared that RAMCO is moving a product line from Taiwan to their Hudson facility as they strive to be 75% made in the USA by 2024. This reshoring will require the hire of four additional skilled laborers in 2023. Mr. Businger thanked Mr. Sheridan for the city's cooperation in moving large equipment on city roadways as RAMCO prepares their production facility for the new line. Mr. Businger also inquired about road repaving and safety signs. Mr. Sheridan and Mrs. Behnke committed to following up with that information.
- 10:45 a.m. CRA - Mental Health Partners Hudson LLC (dba Assurance Health)**
Address: 6260 Hudson Crossing Parkway, Hudson, OH 44236
Presenting: Paula Cordell, CEO
Discussion: Mrs. Behnke summarized the incentive is a 50%, fifteen-year Community Reinvestment Area in its fifth year of review. The business is short of the FTE commitment for 2022 but exceeded the payroll commitment. Ms. Cordell commented that occupancy has strong at 92% for the facility but the availability of staff and the expense of traveling nurses have been challenges for the business.

- 11:00 a.m. CRA – WBC Group, LLC (dba Boxout)**
Address: 6333 Hudson Crossing Parkway, Hudson, OH 44236
Presenting: Ken Kramer, Chief Financial Officer; Darren Brennan, Tax Manager; Crystal Conway, Controller
Discussion: Mrs. Behnke summarized the incentive is a 100%, fifteen-year Community Reinvestment Area in its eleventh year of review. The business is short of the FTE commitment by just 3 FTEs for 2022 but has far exceeded the payroll commitment. Mr. Kramer commented that their new hybrid work arrangements have negatively impacted FTEs. The business forecasts strong growth in 2023.
- 11:15 a.m. CRA - Manneschi & Benedetti Properties, LLC & CEIA USA, LTD.**
Address: 6333 Hudson Crossing Parkway, Hudson, OH 44236
Presenting: Bruno Carano, Chief Financial Officer
Discussion: Mrs. Behnke summarized the incentive is a 50%, fifteen-year Community Reinvestment Area in its second year of review. The exceeded the FTE and payroll dollar commitment for 2022. Mr. Carano noted the CEIA has been happy establishing its US headquarters in Hudson and has capacity to expand on their parcel.
- 11:30 a.m. CRA - TJE Real Estate, LLC (dba GEMCORE)**
Address: 5640 Hudson Industrial Parkway, Hudson, OH 44236
Presenting: Matt Edwards, Chief Operating Officer; David Lewis, Chief Financial Officer
Discussion: Mrs. Behnke summarized the incentive is a 50%, fifteen-year Community Reinvestment Area in its second year of review. The business did not meet the FTE and payroll growth committed for their expansion in their agreement. Mr. Edwards commented that they are working on a plan to bring employees back to the office. The office workforce has been hired within Ohio, but they may be working from home in neighboring communities rather than in Hudson. The intention is to bring employees back to the office two or three days a week. GEMCORE's business remains recession proof as people need diabetes medication regardless of the economy. Mr. Edwards and Mr. Lewis ask to have the remaining three years of the agreed upon five-year jobs growth window to get back on track and recover from the COVID-19 workforce disruption.
- 11:45 a.m. CRA – Aurora 725 Streetsboro, LLC**
Address: 725 W Streetsboro, Hudson, OH 44236
Tenants: Sweet Kiddles, Explorer Dentistry, Goldfish Swim School
Presenting: Morning Calm Management: Steve Filosa, Managing Director; Vicki Chadwell, Director
Discussion: Mrs. Behnke summarized the incentive is a 50%, fifteen-year Community Reinvestment Area in its fifth year of review. The property has never met the FTE or payroll dollar commitment in any of the five years of review. Ms. Chadwell cited COVID-19 as a driver of the low FTEs. Mrs. Behnke question which employees could be working at home in the daycare, dentistry, or swim school industries. Mr. Filosa and Mrs. Chadwell requested a second meeting with the Tax Incentive Review Council with their tenants to answer questions more thoroughly.
- CRA – Aurora 6279 Hudson, LLC**
Address: 6279 Hudson Crossing Parkway, Hudson, OH 44236
Tenants: Alpha Technologies, Universal Screen Arts
Presenting: Morning Calm Management: Steve Filosa, Managing Director; Vicki Chadwell, Director
Discussion: Mrs. Behnke summarized the incentive is a 100%, fifteen-year Community Reinvestment Area in its fifth year of review. This property has far exceeded the FTE and payroll commitments in each of the five years reviewed.

CRA – Aurora 6288 Hudson, LLC

Address: 6288 Hudson Crossing Parkway, Hudson, OH 44236

Tenants: Option Care Health

Presenting: Morning Calm Management: Steve Filosa, Managing Director; Vicki Chadwell, Director

Discussion: Mrs. Behnke summarized the incentive is a 85%, fifteen-year Community Reinvestment Area in its first year of review. The property did not meet its FTE or payroll commitment for 2022. Mr. Filosa and Ms. Chadwell were unable to provide insight into if or how the property would meet the commitments made to the city in the coming years.

The Tax Incentive Review Council further deliberated on the discussions with each business and the following actions were taken:

Incentive Held By	Recommendation Proposed	Motion By	Second By
OnSearch Partners, LLC	Incentive Continuance	N. Alverson	C. Foster
FleetHQ Partners, LLC (dba Fleet Response)	Incentive Continuance	C. Foster	N. Alverson
Diebold Nixdorf, Inc.	Incentive Continuance	C. Foster	T. Sheridan
Base Holdings, LCC and Open Practice Solutions, LTD (dba Etactics)	Incentive Continuance	C. Foster	N. Alverson
ForTec Medical, Inc.	Incentive Continuance	C. Foster	T. Sheridan
RAMCO, LLC	Incentive Continuance	C. Foster	N. Alverson
Mental Health Partners Hudson LLC (dba Assurance Health)	Incentive Continuance	T. Sheridan	C. Foster
WBC Group, LLC (dba Boxout)	Incentive Continuance	T. Sheridan	S. Vavruska
Manneschi & Benedetti Properties, LLC & CEIA USA, LTD	Incentive Continuance	T. Sheridan	J. Knoblauch
TJE Real Estate, LLC (dba GEMCORE)	Incentive Continuance	C. Foster	T. Sheridan
Aurora 725 Streetsboro, LLC	Incentive Termination	C. Foster	N. Alverson
Aurora 6279 Hudson, LLC	Incentive Continuance	T. Sheridan	C. Foster
Aurora 6288 Hudson, LLC	Incentive Termination	T. Sheridan	N. Alverson

Mrs. Behnke summarized the motions and the Tax Incentive Review Council moved to vote. All yea. Motion carried.

With no further business to address, the committee meeting ended at 12:33 p.m.