

**City of Hudson
Tax Incentive Review Council
November 18, 2016**

Mr. Stifler called to order the meeting of the Tax Incentive Review Council (TIRC) at 8:00 am in the Hudson Town Hall meeting room.

Roll Call:

The following members were present:

- Mr. Jim Stifler, Chair, Economic Development Director, City of Hudson
- Mr. Dave Zuro, HCSD Board, member
- Ms. Cindy Matulavich, Summit County Fiscal Office
- Mr. Jeff Knoblauch, Finance Director for the City of Hudson, member
- Mr. Dexter James, Citizen member
- Mr. Bill Wooldredge, City of Hudson Council Member

Mr. Stifler explained that Ms. Kathryn Sines, Treasurer of the Hudson City School District, was also present as a non-voting representative.

Minutes: The Council reviewed the minutes from the 2015 meeting. Mr. Stifler asked if there were addition or changes. There were no additional comments.

Community Reinvestment Area Agreements

Face-Off, LLC (WBC Group DBA Meyer Distributing)

Background: *THIS COMMUNITY REINVESTMENT AREA (CRA) AGREEMENT BETWEEN THE CITY OF HUDSON AND FACE-OFF, LLC WAS APPROVED ON AUGUST 10, 2010. THIS AGREEMENT COVERED THE CONSTRUCTION OF A 62,000 SQUARE-FOOT HEADQUARTES AND DISTRIBUTION CENTER IN THE HUDSON CROSSING BUSINESS PARK. THE COMPANY COMMITTED TO AN INVESTMENT OF \$5 MILLION FOR THE CONSTRUCTION OF THIS FACILITY. THIS PROJECT ALLOWED FOR THE CREATION OF 140 FULL-TIME EMPLOYEES WITHIN 36 MONTHS OF OCCUPANCY. THE PAYROLL ASSOCIATED WITH THESE JOBS WAS TO BE APPROXIMATELY \$6.7 MILLION. THE AGREEMENT CALLED FOR A 100% ABATEMENT FOR A PERIOD OF 15 YEARS.*

Update: BASED ON THE INFORMATION PROVIDED BY THE COMPANY, THEY HAVE MET THEIR COMMITMENT TO REAL PROPERTY INVESTMENT. THEY HAVE ALSO REPORTED THAT THEY HAD, AT THE END OF 2015, 140 FULL-TIME EMPLOYEES WITH A PAYROLL OF \$9,470,754.18.

Comments:

Liz Cross, Treasurer of WBC Group, reconciled the numbers above with the newer numbers that were filed in 2016 as support for their JCTC. Current figures are 150 FTE's in Hudson with 186 nationally. Payroll in Hudson is \$9,745,000. Continued expansion is expected.

Motion: Bill Wooldredge motioned to recommend that Council continue the agreement with Face-Off, LLC, Dexter James seconded and the motion passed by unanimous voice vote.

Hudson Park, LLC (Universal Screen Arts)

Background: *THIS COMMUNITY REINVESTMENT AREA (CRA) AGREEMENT, BETWEEN THE CITY OF HUDSON AND HUDSON PARK, LLC, CALLS FOR A 100% ABATEMENT FOR 15 YEARS. THIS AGREEMENT WAS APPROVED ON DECEMBER 31, 2003. THE PROJECT INVOLVED THE CONSTRUCTION OF AN APPROXIMATELY 77,000 SQUARE-FOOT HEADQUARTERS AND WAREHOUSE FACILITY. THIS CONSTRUCTION WOULD ALLOW FOR THE CONSOLIDATION OF THREE OTHER FACILITIES IN HUDSON. THE COST OF THE NEW CONSTRUCTION WAS ESTIMATED TO BE \$2.7 MILLION. AS A RESULT OF THE CONSOLIDATION OF THE THREE FACILITIES, THE COMPANY WOULD RELOCATE 104 FULL-TIME POSITIONS TO HUDSON WITH AN ASSOCIATED PAYROLL OF APPROXIMATELY \$3.9 MILLION. THE COMPANY FURTHER COMMITTED TO THE CREATION OF 16 NEW, FULL-TIME POSITIONS, WITH A PAYROLL OF \$330,271.00. THE NEW POSITIONS WERE TO BE IN PLACE WITHIN 36 MONTHS OF OCCUPANCY.*

Update: BASED ON THE INFORMATION SUPPLIED BY THE COMPANY, THEY HAVE MET THEIR COMMITMENT TO REAL PROPERTY INVESTMENT. AS OF 12/31/2015 THEY HAD 104 FULL-TIME EMPLOYEES. THEIR TOTAL PAYROLL WAS \$6,724,447. ALTHOUGH THEIR HEADCOUNT IS DOWN FROM LAST YEAR (104 VS 105) THEIR PAYROLL NUMBER IS UP OVER \$300,000. OVER THE YEARS THEY HAVE BEEN ABLE TO GAIN EFFICIENCIES IN THE WAREHOUSE WHICH HAS ALLOWED THEM TO REDUCE THEIR HEADCOUNT WHILE AT THE SAME TIME MAKING SIGNIFICANT ADDITIONS IN THEIR MARKETING/CREATIVE TEAMS.

Comments: Jared Florian has stepped back from the day to day. ^ catalogues now. Selling direct and through Amazon, JET and Wal-Mart. Internet sales and effort are expending rapidly and impacting employment. Web team is growing and new VP of web hired. Screen printing 600,000 shirts per year. Looking at moving Twinsburg employees to Hudson (Hudson Crossing?). 117 FTE's in Hudson. Payroll number above is accurate.

Motion: Bill Wooldredge motioned to recommend that Council continue the agreement with Hudson Park, LLC. Dave Zuro seconded and the motion passed by unanimous voice vote.

Job Creation Grant Agreements

WBC Group DBA Meyer Distributing

Background: *THE CREATION GRANT AGREEMENT BETWEEN THE CITY OF HUDSON AND INDUSTRIAL LAND PARTNERS, LLC WAS APPROVED ON MAY 19, 2010. IT HAS BEEN AMENDED TWICE SINCE THEN, THE FINAL AMENDMENT WAS ON SEPTEMBER 18, 2013 WHICH RESULTED IN THE ASSIGNMENT OF THIS AGREEMENT TO THE WBC GROUP WITH IS THE ENTITY CHARGED WITH THE CREATION OF THE NEW JOBS. THIS AGREEMENT GRANTS BACK TO THE COMPANY 50% OF THE INCOME TAX PAID BY THEIR NEW EMPLOYEES FOR A PERIOD OF 8 YEARS. THE AGREEMENT CALLS FOR THE CREATION OF 140 NEW, FULL-TIME JOBS WITH AN ASSOCIATED PAYROLL OF \$6.7 MILLION. ALL JOBS WERE TO BE IN PLACE WITHIN 36 MONTHS OF OCCUPANCY. THE COMPANY ACTUALLY MOVED INTO THE NEW FACILITY IN 2012.*

Update: BASED ON THE INFORMATION PROVIDED BY THE COMPANY, AT THE END OF 2015, THEY HAD 186 FULL-TIME EMPLOYEES WITH A PAYROLL OF \$9,745,236.63.

Comments:

Liz Cross, Treasurer verified that current figures are 150 FTE's in Hudson with 186 nationally. Payroll in Hudson is \$9,745,000. Continued expansion is expected.

Motion: Bill Wooldredge motioned to recommend that Council continue the Job Creation Grant agreement with WBC Group DBA Meyer Distributing. Dave Zuro seconded and the motion passed by unanimous voice vote.

Yxlon International

Background: *THE JOB CREATION GRANT BETWEEN THE CITY OF HUDSON AND YXLON WAS APPROVED ON JUNE 4, 2014. THE AGREEMENT CALLS FOR A GRANT BACK TO THE COMPANY OF 30% OF THE INCOME TAX PAID BY THEIR NEW EMPLOYEES FOR A PERIOD OF 5 YEARS. THE AGREEMENT CALLED FOR THE CREATION OF 15 NEW FULL-TIME POSITIONS, AT ITS HUDSON LOCATION WITH AN ASSOCIATED PAYROLL OF \$1,340,000.*

Update: BASED ON THE INFORMATION PROVIDED BY THE COMPANY, AS OF 3/24/16, THEY HAVE 27 FULL-TIME EMPLOYEES, WITH 16 WORKING OUT OF HUDSON OHIO. THEY ARE LOOKING TO ADD TWO ADDITIONAL EMPLOYEES WHICH WOULD BRING THEIR PAYROLL TO APPROXIMATELY \$1,500,000.

Comments:

Mr. Ray Kramer, President of the US, Canada and Mexico operations for Yxlon, Inc. represented for this meeting. Mr. Kramer stated that Yxlon, Inc. is a manufacturer for industrial x-ray equipment and is a publicly traded Swiss company. Yxlon, Inc. is heavily involved in the tire and automotive industry and very popular in the aerospace market. Mr. Kramer stated that they have had two recent hires, but that those people are located in Arizona and Florida. Yxlon, Inc. however does plan to add another full-time position on February 1, 2017 with a salary of \$140,000 annually. This person is relocated from Germany. Once this transfer is made, the payroll will be at \$1.65 million annually with 17 total employees in Hudson. Hudson is the Yxlon, Inc. NE American headquarters.

Motion: Mr. Wooldredge motioned to recommend that Council continue the agreement with Yxlon International. Mr. Zuro seconded and the motion passed by unanimous voice vote.

CompMed Analysis

Background: *THE JOB CREATION GRANT BETWEEN THE CITY OF HUDSON AND COMPMED ANALYSIS WAS APPROVED ON OCTOBER 13, 2015. THE AGREEMENT CALLS FOR A GRANT BACK TO THE COMPANY OF 25% OF THE INCOME TAX PAID BY THEIR NEW EMPLOYEES FOR A PERIOD OF 4 YEARS. THE AGREEMENT CALLED FOR THE CREATION OF 10 NEW FULL-TIME POSITIONS, AT ITS HUDSON LOCATION WITH AN ASSOCIATED PAYROLL OF \$500,000.*

Update: BASED ON THE INFORMATION PROVIDED BY THE COMPANY, AS OF 12/31/2015, THEY HAVE 17 FULL-TIME EMPLOYEES WITH A PAYROLL OF \$1,050,000.

Comments:

Mrs. Sherrie Bearden, President of CompMed Analysis, represented the company for this meeting. Mrs. Bearden stated that there will be an additional (3) full time positions beginning on November 21, 2016. This will bring the FTE total to 34 jobs. Payroll to date is at least \$1,500,000. Mrs. Bearden stated that the business is going well and she is looking to bring some additional investors into the business. They server 50 hospital/health systems now. Mrs. Bearden is currently the sole owner.

Motion: Mr. Wooldredge motioned to recommend that Council continue the agreement with CompMed Analysis. Mr. Zuro seconded and the motion passed by unanimous voice vote.

Adjournment:

The meeting was adjourned at 8:55 a.m.

Jim Stifler, Chair
Tax Incentive Review Council