

Fairfield County Tax Incentive Review Council (TIRC)
Tuesday, June 27, 2023, 1:00pm
108 N. High St. Floor 2, Lancaster, OH 43130

Attendance for the June 27, 2023, meeting of the Fairfield County Tax Incentive Review Council (TIRC):

Fairfield County TIRC Members:

- Dr. Carri L. Brown , County Auditor, TIRC Chair
- Steve Davis, President, Board of Fairfield County Commissioners
- Aundrea Cordle, County Administrator
- Anthony Iachini, Fairfield County Economic Development Coordinator, alternate for the Regional Planning Commission Executive Director
- Julie Taylor, Treasurer, Lancaster City Schools
- Stephanie Bosco, Economic Development & Port Authority Director, City of Lancaster

Subject Matter Experts & Interested Parties:

- Rick Szabrak, Economic and Workforce Development Director, Fairfield County
- Vince Carpico, Economic Development Specialist, Fairfield County
- Andrew Boyd, President, Blue Label Packaging
- Gareth Boyd, Finance Director, Blue Label Packaging
- Angela Horn, Deputy Auditor, Fairfield County

Welcome and Introduction: Carri Brown welcomed everyone to the meeting at 1:00 pm, and everyone introduced themselves.

Role of TIRC: Carri Brown gave an update on the history of Tax Incentive Review Council. Per ORC Code 5709.85, the TIRC is comprised of three members appointed by the Board of Commissioners, two members of the municipal corporation to which the instrument granting the tax exemption applies (in this case, the City of Lancaster) the County Auditor (or designee), and an individual appointment by the Board of Education of each city, local, exempted village, and joint vocational school district to which the instrument granting the tax exemption applies (in this case, Lancaster City Schools). Carri Brown noted there was a quorum with six TIRC members in attendance.

She went on to describe how the Board of County Commissioners approves incentives for companies; the purpose of the TIRC is to review company activity and performance as it relates to the incentive agreement and to determine if the job and payroll benchmarks are being met given the current business climate and make a recommendation to the Board of County Commissioners about continuing the tax incentives.

Information Posted on the County Website: Carri Brown stated that meeting minutes and reference materials are available on the Fairfield County Auditor website. After discussion about documentation of appointments, Julie Taylor indicated she would provide documentation from Lancaster City Schools. Carri Brown distributed the TIRC notification procedures and a frequently asked questions document.

For Fairfield County

Motion to approve the County Administrator to serve as Vice-Chair of the Fairfield County Tax Incentive Review Council

Carri Brown discussed the ORC requirement for a Vice-Chair of the TIRC.

On the motion of Steve Davis and the second of Julie Taylor, the TIRC voted to approve the County Administrator to serve as vice-chair of the Fairfield County TIRC.

Discussion: There was no additional discussion.

The motion carried unanimously.

Motion to approve the minutes from the August 4, 2022, meeting

Carri Brown noted that meeting minutes from August 4, 2022, were on the County Auditor website, were distributed electronically, and were available today for review.

On the motion of Julie Taylor and the second of Stephanie Bosco, the TIRC voted to approve the minutes from the August 4, 2022, meeting.

Discussion: There was no additional discussion.

The motion carried unanimously.

Report of the Enterprise Zone Agreements for Blue Label Packaging: Rick Szabrak shared that there are three separate agreements filed with the State for the Blue Label expansion project, but only the second one has been approved and acknowledged by the State. The second agreement is specific to the 24,000 square foot warehouse expansion.

Steve Davis asked why the other two agreements haven't been approved yet, and Rick Szabrak stated the County submitted to State of Ohio during the pandemic, and between workforce shortages at the State, and the multiple submissions, we are still waiting for approval. Carri Brown stated that she has heard from other Counties in Ohio that there is a lengthy processing timeline, and the County Auditor office continues to check on the status of the applications.

Andrew Boyd from Blue Label Packaging provided a report that outlined employee growth, payroll data, and included their non-discriminatory hiring practices. (See attached report.) He spoke about the history of Blue Label Packaging and the company's growth. Because they are a packaging company, they benefited from pandemic (or at-home) behaviors. Most of their customers are in the food and beverage, spirits, and packaged food products industry. Blue Label Packaging is pleased that they have been able to retain their current clients, and they monitor their client base regularly. They also monitor their wages and employee benefits closely because the employment market is competitive for high quality employees in the Columbus metro region. Regarding the future, Andrew Boyd announced that the company purchased additional land adjacent to their current facilities in Lancaster as they are planning another future expansion.

Steve Davis asked about the possibility of expanding to other locations outside of Fairfield County.

Andrew Boyd stated they have considered a western United States location because they have a growing customer base of wine producers on the west coast; that type of expansion is still just an idea.

Steve Davis asked if they are meeting their targeted job goals for the expansion associated with the second agreement, and Rick Szabrak confirmed that they have achieved the growth metrics.

Report of Compliance with Non-Discriminatory Policies: Andrew Boyd went on to describe Blue Label Packaging's non-discriminatory employment policies and practices. They are focused on the importance of diversity and recognize that they need to pull employment talent from other diverse communities.

Steve Davis expressed his appreciation for Blue Label Packaging for investing in Fairfield County and wished them continued success.

Andrew Boyd stated that when he talks to other companies in his industry, working with multiple government entities often comes up in conversation. Andrew Boyd stated that he feels fortunate to have a good working relationship with Fairfield County, the City of Lancaster, and Economic Development organizations in the region.

Motion to accept the reports, acknowledge compliance with the agreements, and recommend continuance of the tax incentives

On the motion of Steve Davis and second of Anthony Iachini, the TIRC voted to accept the reports, acknowledge compliance, and recommend continuance of the tax incentives.

Discussion: There was no additional discussion.

The motion carried unanimously.

For Fairfield County/ Violet Township

Update on the Community Reinvestment Area in Violet Township: Rick Szabrak talked about the Community Reinvestment Area in Violet township and the related agreement with DHL. This \$55 million development project is in its early stages. There are several other development projects being discussed in the vicinity of the DHL project, and Rick Szabrak spoke to the efforts being made to improve the road and infrastructure improvements along that development corridor in Violet Township. There is no activity to review for the Fairfield County/Violet Township TIRC.

For Greenfield Township (No Activity in 2022 or 2023)

Carri Brown stated that there was no activity for the Greenfield Township TIRC, and when there was activity to review, it would likely be reviewed in a meeting apart from the Fairfield County TIRC.

2024 Fairfield County TIRC Meeting Date & Location: The next meeting of the Fairfield County TIRC is scheduled for June 25, 2024, at 1:00 pm at 108 N. High St., Floor 2, Lancaster, OH 43130.

Motion to Adjourn

On the motion of Aundrea Cordle and second of Anthony Iachini, the TIRC voted to adjourn at 1:40 pm. The motion carried unanimously.

Recorded by Vince Carpico on June 27, 2023

TAX INCENTIVE REVIEW COUNCILS PUBLIC NOTICE - NOTICE OF TIRC MEETINGS

There are six Tax Incentive Review Councils for which the Fairfield County Auditor serves as chair by the Ohio Revised Code. TIRCs were established by Fairfield County (and Fairfield County/Violet Township), the City of Pickerington, the City of Lancaster, the City of Reynoldsburg, and the City of Canal Winchester.

Each TIRC, in compliance with RC 121.22(F), has a method whereby any person may determine the date, time and place of regular meetings and the date, time, place and purposes of special meetings, and whereby the news media may be notified of the date, time, place and purposes of special and emergency meetings.

1. Regular meetings

Regular meetings of each TIRC are held one time annually in June, July, or August. *By May, dates are posted online:*

<https://www.co.fairfield.oh.us/auditor/Fairfield-County-TIRCS.html>

This link above shows the membership and a contact person for each TIRC. They are:

Fairfield County (and Fairfield County/Violet Township) – Rick Szabrak, 740.652.7162

The City of Pickerington – Greg Butcher, 614.837.3974

The City of Lancaster – Tricia Nettles, 740.687.6611

The City of Reynoldsburg – Melisa Butler, 614.322.6827

The City of Canal Winchester – Lucas Haire, 614.837.1894

As the TIRCs are created by Fairfield County and the respective cities, these regular meetings are posted by those entities using their customary posting methods.

Fairfield County posts the County (and Fairfield County/Violet Township) TIRC meetings on the calendar of the Board of Commissioners, which is also posted on the Commissioners' website and at the Courthouse at 210 East Main Street, Lancaster, Ohio, 43130.

The City of Pickerington TIRC meetings are posted on the calendar of the City of Pickerington, which is posted at 100 Lockville Road, Pickerington, Ohio, 43147.

The City of Lancaster TIRC meetings are posted on the calendar of the City of Lancaster, which is posted at 104 E. Main St., Lancaster, Ohio, 43130.

The City of Reynoldsburg TIRC meetings are posted on the calendar of the City of Reynoldsburg, which is posted at 1615 Truro Ave., Reynoldsburg, Ohio, 43068.

The City of Canal Winchester TIRC meetings are posted on the calendar of the City of Canal Winchester, which is posted at 36 S. High St., Canal Winchester, Ohio, 43110.

A hard copy of this public notice summary is placed at 108 N. High Street in Lancaster, Ohio, as well.

If the date, time, or location of a regular meeting is changed, notice shall be posted at least twenty-four hours prior to the meeting at the website link. Members of the TIRCs are notified of meetings electronically by the entity that created the TIRC.

2. Special and emergency meetings

Special meetings of a TIRC will be held at the call of any member of the TIRC by request to the chair. The call for a special meeting shall specify the date, time, location and purposes of the meeting. Unless otherwise provided, special meetings will be held at the office of the County Auditor in the County Auditor's Conference Room at 108 N. High Street, Lancaster, Ohio.

The Communications Officer of the County Auditor shall give notice of the date, time, location and purposes of a special meeting other than an emergency meeting by posting a hard copy of a notice at 108 N. High Street, Lancaster, Ohio, at the front entrance. Notice shall be posted as far in advance of the meeting as practicable, but not less than twenty-four hours prior to the meeting. If there is sufficient time to provide twenty-four hours' notice, the Communications Officer shall give notice of an emergency meeting in the same manner as notice of a nonemergency special meeting.

3. Notice to news media of special and emergency meetings

News media who have required notice of special meetings shall be individually notified by the Communications Officer of the date, time, location and purposes of any such meeting at least twenty-four hours in advance of the meeting. If the meeting is an emergency meeting, the Communications Officer shall immediately notify the media who have requested notification of the date, time, location and purposes of the meeting.

4. Notice of meetings to discuss particular business

The Communications Officer shall give reasonable advance notice of any special meeting, at which a particular type of public business is to be discussed, to any person who has requested such notice. If time permits, such notice shall be given. A request for notice shall be in writing, shall state the requestor's name, address, telephone number, email address (if available) and the nature of the public business in which the requestor has a particular interest and desires notice. Any such request shall remain in force for 12 months.

5. Special notice required by law

When a particular form or method of notice is required by statute for a public hearing or meeting, notice of the hearing or meeting shall be given in the form and manner prescribed by statute in addition to notice otherwise required under this notice.

Tax Incentive Review Councils – Fact Sheet

Tax Incentive Review Councils (TIRCs) process and monitor the status of tax incentives and agreements to make recommendations to local municipalities as to the efficacy of the incentives. In Fairfield County, there are multiple TIRCs.

Here is a link for information about each TIRC, such as membership, meeting minutes, and meeting dates:

What are some terms relating to TIRCs?

Enterprise Zone (EZ): Offers companies property tax exemption on new real property.

Environmental Protection Abatement (EPA): Property tax incentives created to encourage the cleanup of brownfields and other environmental hazards in our communities. Oversight is conducted by the Ohio Environmental Protection Agency, not the Tax Incentive Review Council.

Tax Increment Financing (TIF): Designates a parcel or multiple parcels as within a project.

Community Reinvestment Areas (CRA): Provide real property tax exemptions to property owners who make improvements to their property.

Why are tax incentives in place? State and local governments use a variety of tax incentives to attract and retain business investment, create jobs, reduce blight, and pursue other goals. These incentives are used with expectation that each granted incentive results in increased property value, investment, employment, payroll activity, and/or other economic development benefit. TIRCs process and monitor the status of each incentive and make recommendations to the local municipality as to the efficacy of the incentive.

What information do municipalities provide to TIRCs? Per the Ohio Revised Code, municipalities must provide the TIRC with “any information necessary to perform its review.” A report is made by the municipality and minutes are taken annually on each incentive. These progress reports include information on scope of project, type of incentive, jobs created, payroll, and real estate investment. TIFs municipalities provide information on collections, expenditures, and fund balances. Each year the TIRC reviews the prior tax year’s performance data for each incentive. This data is collected and compiled by the municipality and provided to the members of the TIRC.

For abatements, the data provided shows whether the entity receiving the tax abatement is complying with the terms of the agreement. Simply put, is the company receiving the tax break doing what it said it was going to do? Has it hired the employees it said it would? Has it invested in construction in the way it promised? The TIRC receives information on the number of jobs created or retained, total payroll, real estate investment (new structures or upgrades), and construction payroll.

What type of recommendation does a TIRC make? After reviewing information about agreements and compliance, TIRCS make recommendations about continuing agreements.

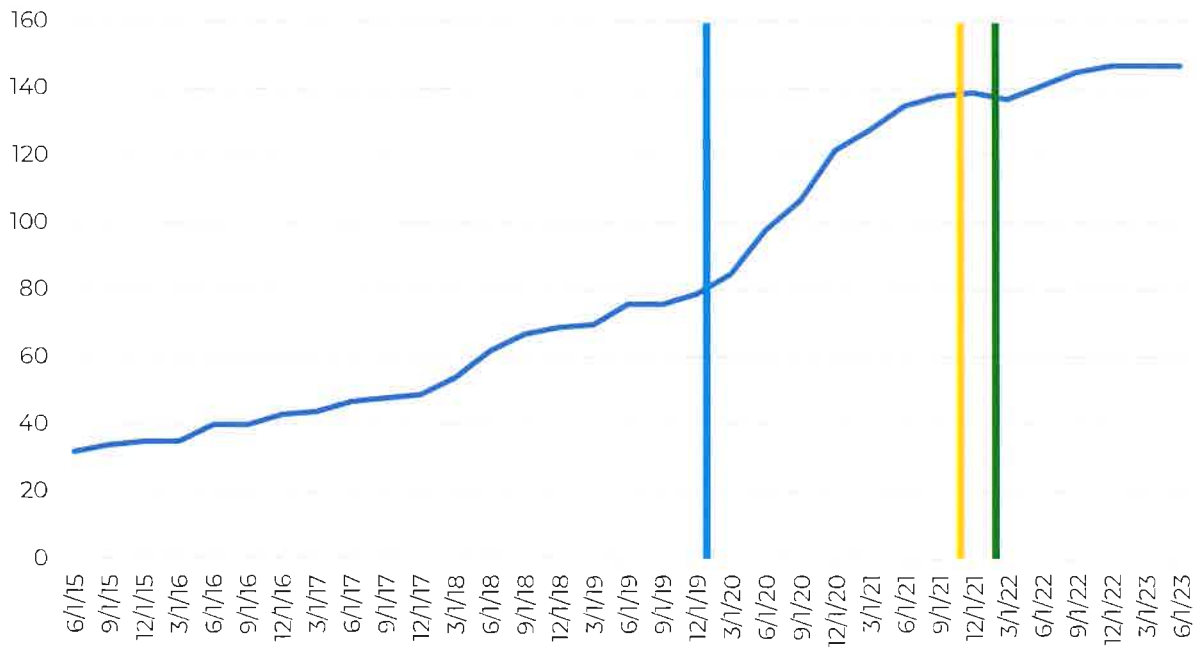
Sometimes, if there are problems with the compliance, and it is the first time there has been a problem or if the business is close to meeting the terms of the agreement, the recommendation might be to continue the agreement and reach out and see what assistance can be provided to help the project meet the original goals. If the project is consistently off target, the TIRC might recommend modification of the original agreement. For example, if a property is 100% abated but regularly only meets 75% of the terms of the agreement, the recommendation might be to change the tax abatement from 100% to 75% and make the goals 75% of the original agreement. Finally, in extreme cases, the TIRC may recommend the municipality cancel the abatement altogether. This has not been the experience in Fairfield County.

What happens next? Once the TIRC makes recommendations, they are presented to the municipality’s legislative body for acceptance, rejection, or modification. The legislative body must vote on the TIRC’s recommendations within 60 days of that municipality’s TIRC meeting.

To: Tax Incentive Review Council
From: Andrew M. Boyd
Date: June 26, 2023
Re: Recap for TIRC

Since Blue Label completed the first expansion to its Lancaster Plant, a warehouse expansion internally called 'Warehouse 1', on 1/29/20 the number of full-time employees has increased 85% from 79 to the current level of 146. Currently the median wage is \$68,500 and starting entry level wage is \$47,400. All employees are eligible for health and dental insurance, PTO, 401k, tuition reimbursement, and volunteer time off. Additionally, our average wage has grown 11.63% annually since 9/30/19, so our wages continue to keep pace with inflationary trends.

Blue Label Quarterly FTE Headcount 7/15-5/23



Project	Description	Commenced	Completed
Warehouse 1	19,000 sq ft of warehouse space	9/6/19	1/29/20
Warehouse 2	24,000 sq ft of warehouse space	2/18/21	11/18/21
Office Expansion	15,000 sq ft of office space	5/19/21	2/24/22

Blue Label Packaging EEO Policy, as stated in company handbook:

Equal Employment Opportunity

The Company provides equal employment opportunity to all applicants and employees. No person is to be discriminated against, in any aspect of the employment relationship, due to race, religion, color, sex (including pregnancy), sexual orientation, gender identity or expression, age, national origin, ancestry, disability, military or veteran status, predisposing genetic characteristics, marital status, or any other classification protected under federal, state, or local law.

If you believe that you or another employee have been discriminated against, you have an obligation to report the suspected discrimination to Tammy Underwood or to any other management employee.

The Company will investigate complaints of discrimination promptly. Employees are required to cooperate in any investigation. The Company will communicate the results of the investigation to the parties involved. Retaliation against any employee for filing a complaint or participating in an investigation is prohibited.

Any employee, supervisor, or manager who is found to have engaged in discriminatory conduct will be subject to disciplinary action up to and including discharge.