



JobsOhio Commercial Loan programs

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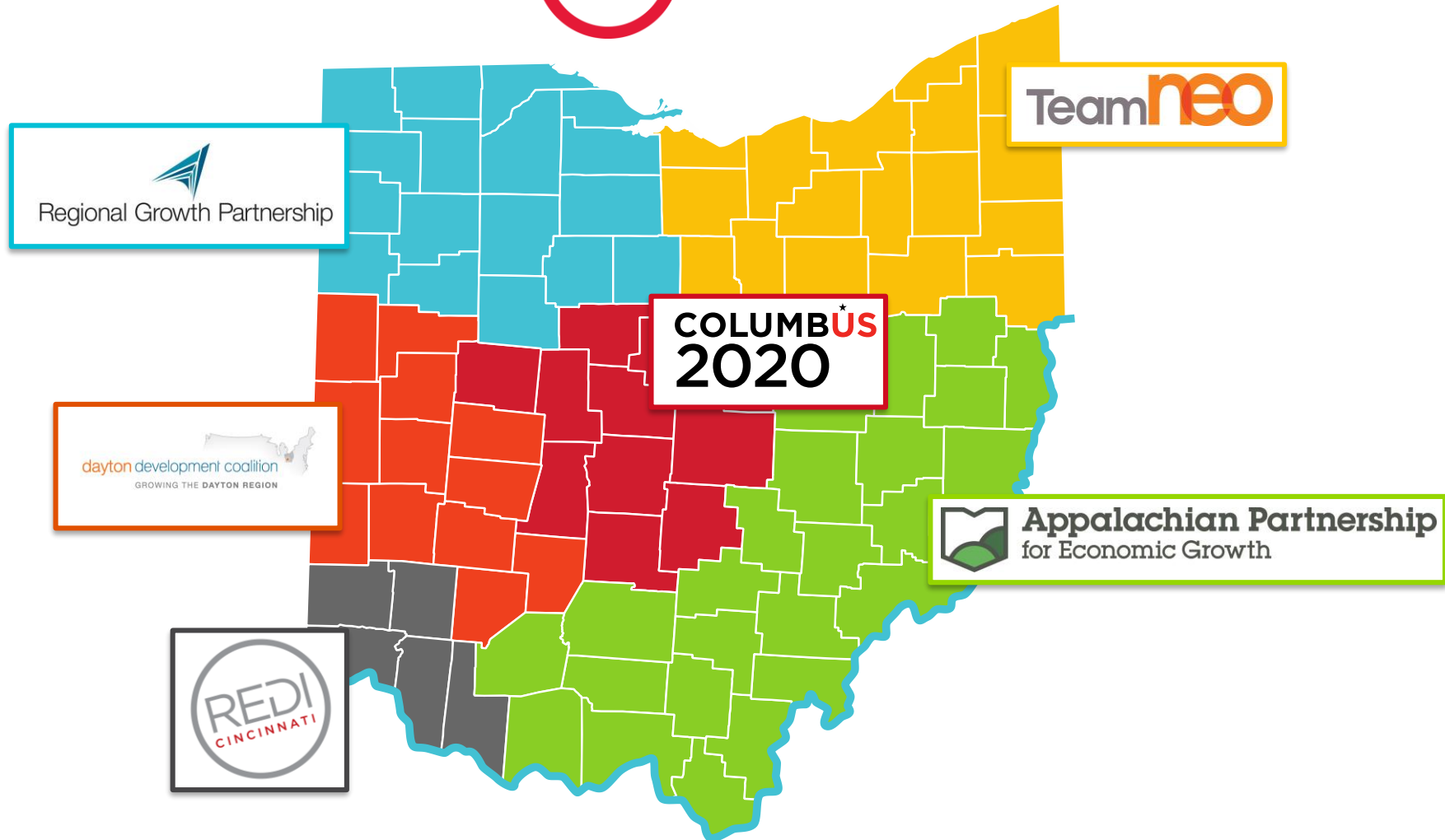
October 3, 2016

JobsOhio Update

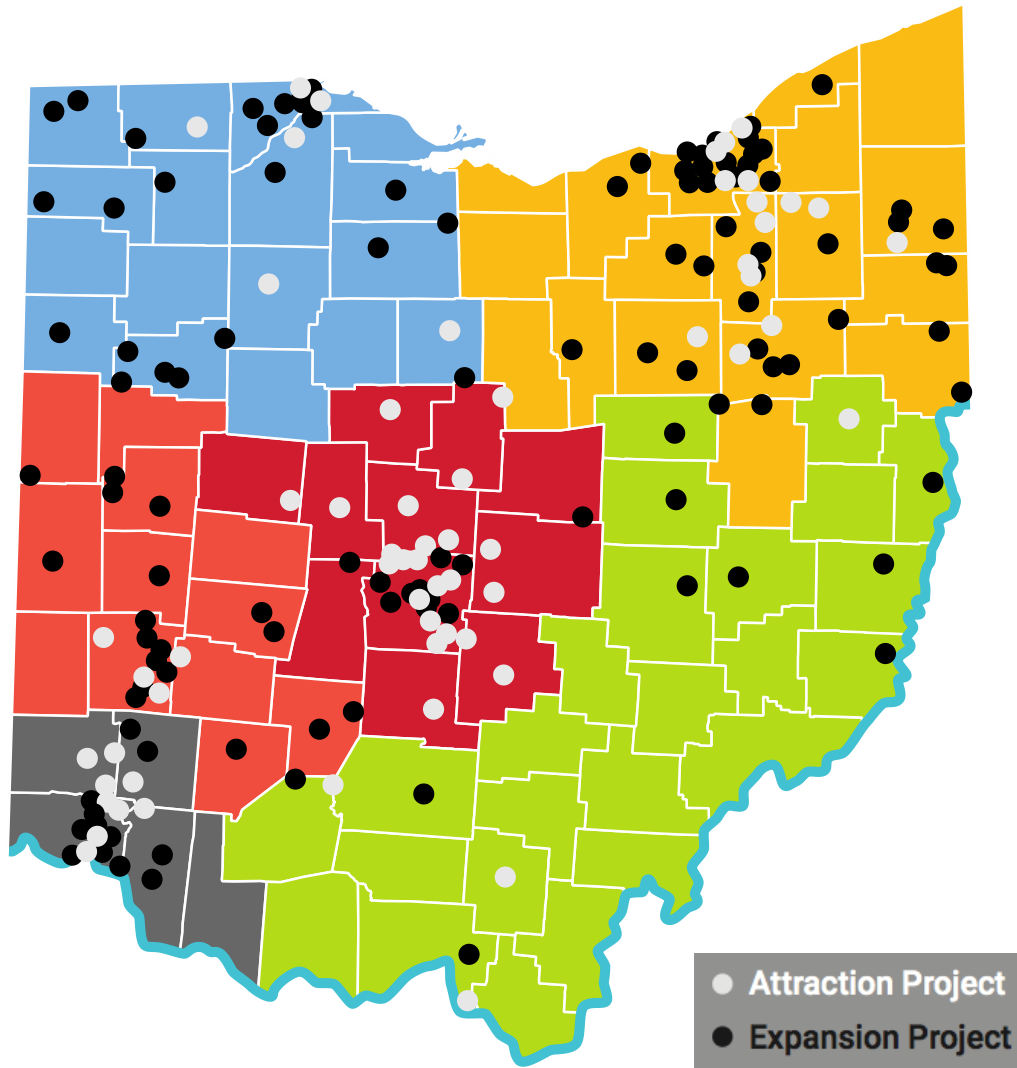
- Created in 2011, JobsOhio (JO) is a private company that drives **job creation** and **new capital investment** in Ohio through business attraction, retention, and expansion efforts
- JO is **governed by business leaders**, has a significant **recurring funding source** and is led by sector Directors who generally possess **over 20 years of industry experience**
- In addition to providing industry expertise, JO provides **site selection, loan, grant and state tax credit** facilitation
- Evaluation **criteria include job creation, additional payroll, fixed-asset investment, ROI & location**



THE JobsOhio NETWORK



JobsOhio 2015 Project Wins



Industries	Attraction	Expansion
Advanced Manufacturing	25	76
Aerospace & Aviation	0	4
Automotive	8	24
Biohealth	4	22
Shale Energy & Petrochemicals	8	15
Financial Services	1	3
Food Science & Agriculture	4	20
Information Technology	11	23
Logistics & Distribution	11	22
Other	8	41
Totals	80	250

Ohio Agriculture Industry



**26.5m
ACRES**

13MM ACRES IN FARMLAND (51%)

1MM ACRES IN PRINCIPAL CROPS

4.6MM

Soybeans #5

3.MM

Corn #7

0.9MM

Wheat #15

1.1MM

Hay #22

4.0MM

Hogs #7

1.2MM

Cattle #16

10MM

Chickens #20

2.0MM

Turkey #11

7.1b

Table eggs #2

5.1MM lbs

Milk #5

Ohio Agriculture Industry

Inputs & Production

Crop

Corn
Soybeans
Wheat
Other

Animal

Beef
Hogs
Chicken
Turkey
Other

Mid-Stream



Down-stream



US Retail & Foodservice



Export



Consumers

Canada 35MM

USA
320MM

Ohio 11.5

Latin America
600MM

Rest Of World
6b

R&D



DSA & JobsOhio closely collaborate on program financing

 Focus of discussion

DSA programs

- Collateral Enhancement
- Capital Access
- The Ohio Historic Preservation Tax Credit
- The New Markets Tax Credit
- Regional 166 Loan
- Loan Loss Reserve
- Commercial Acceleration Loan Fund
- Minority Direct Loan
- Energy efficiency Loan

DSA programs underwritten by JO

- 166 Direct Loan
- Ohio Enterprise Bond
- R&D Investment Loan Fund
- Innovation Ohio Loan

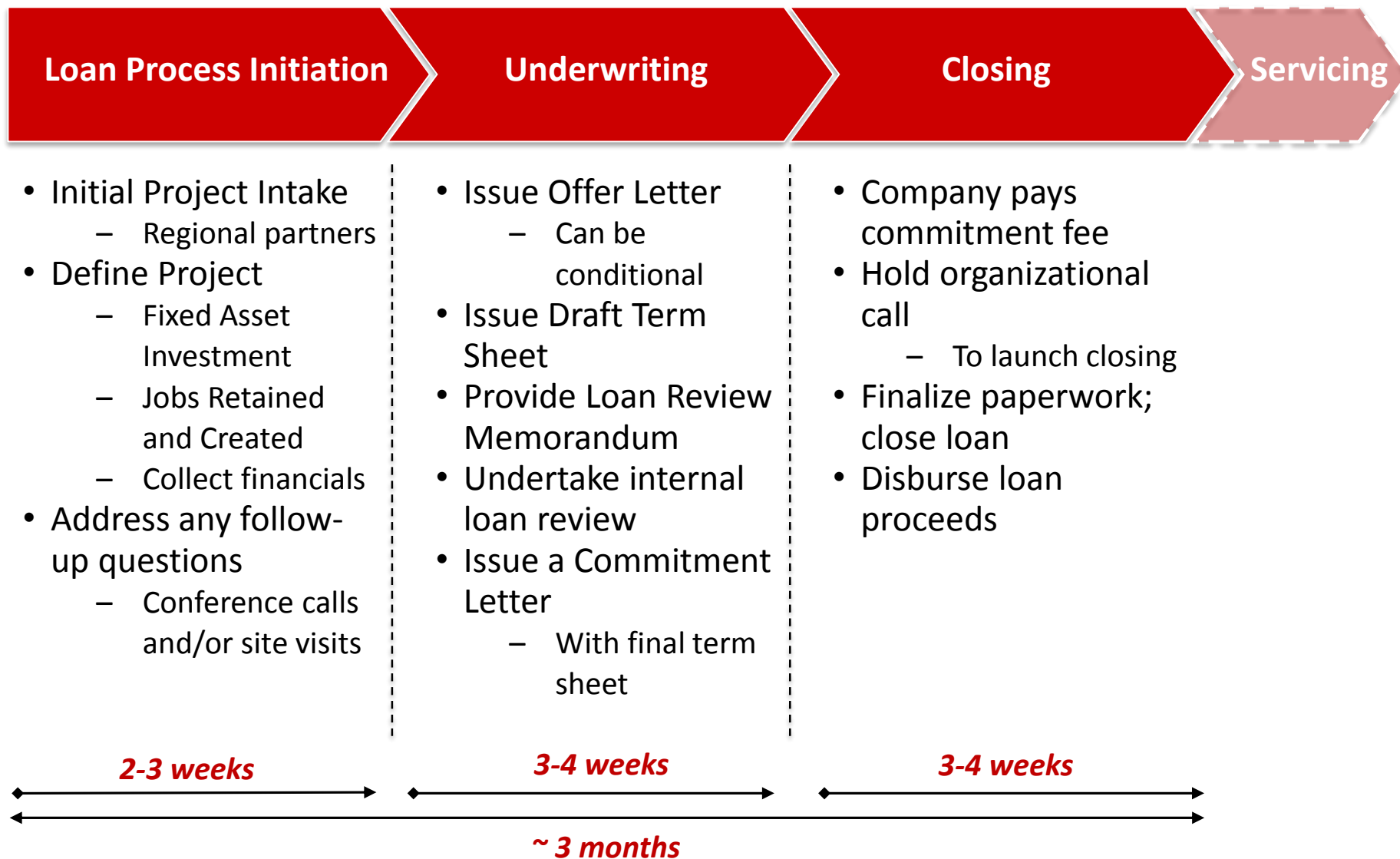
JO programs

- JobsOhio Growth Fund Loan
- JobsOhio Revitalization Loan

Loan Program Summary

	166 Direct Loan	OH Enterprise Bond	R&D Investment Loan	Innovation OH Loan	JobsOhio Growth Fund Loan	JO Revitalization Program
Project purpose	Smaller job retention projects	Larger-size job retention projects	R&D projects with jobs impact	Innov. projects with job creation and/or retention	Job creation projects	Brownfield revitalization with jobs impact
Funding	\$0.5-5	\$2.5-10MM	\$0.5-5MM	\$0.5-1.5MM	\$0.5-5MM	\$0.5-5MM
Allowable costs	Fixed assets	Fixed assets	R&D Fixed Assets	Capitalizable costs	Fixed Assets	FA, demolition, environmental clean-up, etc.
Term	Up to 15 yrs	Up to 20 yrs	Up to 15 yrs	Up to 7 yrs	Up to 15 yrs	Up to 15 yrs.
Interest rate	Risk-based; typically 3%	Based on Market Fund rated AA+	Typically 2 %	Risk-based, typically 7-9%	Risk-based; varies	Risk-based; varies
Security	First and/or shared first			First on all business assets	First and/or shared first; will consider 2 nd position	To be negotiated; will consider 2 nd position
% of project	Up to 40%			Up to 75%	Up to 40%	Up to 75%
Co-investment	Bank financing			Equity	Bank financing	Bank financing
Prepmt penalty	None	Make whole	None			
Upfront fees	1.25% of loan capped at \$12.5k	2-3% of bond amount	1% of loan capped at \$10k	1.75% of loan capped at \$17.5k	\$12.5k	
Equity requirements	Minimum of 10%					
Disbursement	"Take out"			Monthly	"Take out"	
Prevailing wage	No					

Loan Process Overview



MadTree Brewing

Project Summary

- MadTree is a brewer of craft beer and is located in Cincinnati, Ohio
- Project involved the renovation of a vacant 83,000 sq. ft. facility
- JO to have a third mortgage behind the Bank and SBA
- Retained jobs: 31
- New jobs: 23
- Utilized *JobsOhio Revitalization Loan*

Sources of Funds

\$ 8,500,000	Bank
\$ 5,200,000	SBA 504
\$ 1,500,000	JORL
\$ 1,750,000	Grants
<u>\$ 1,045,000</u>	<u>Equity</u>
\$17,995,000	Total

Uses of Funds

<u>\$17,995,000</u>	<u>Bldg. Acquisition & Renovation</u>
\$17,995,000	Total

Loan Details

- Term: 10 Year
- Interest Rate: 2% years 1-3; 3% years 4-10
- Amortization: 15 years
- JO required a third mortgage on the real estate
- Personal guarantees

Project Summary

- Perham Egg acquired a 50,000 sq.ft. egg sorting facility and converted it into an egg cracking facility
- The facility is located in Fort Recovery, Ohio.
- There are over 25 million laying hens within a 50-mile radius of Fort Recovery
- New jobs: 40
- Utilized *166 Direct Loan and Community Development Block Grant*

Sources of Funds

\$1,500,000	166 Direct Loan
\$ 400,000	CDBG Loan
<u>\$ 458,000</u>	<u>Equity</u>
\$2,385,000	Total

Uses of Funds

<u>\$2,385,000</u>	<u>Bldg. Acquisition & Renovation</u>
\$2,385,000	Total

Loan details

- Term: 15 years
- Interest Rate: 3%
- Amortization: 15 years
- Participation Fee: 10%
- Required a sole first mortgage on property
- Required a guarantee of the parent company

Sandridge Food Company

Project Summary

- Sandridge Food's is a refrigerated foods manufacturer that operates a 150,000 sq.ft. state-of-the-art in Medina, Ohio
- The project involved a 10,000 sq.ft. addition to house a new high pressure processing machine
- Retained jobs: 150
- New jobs: 100
- Utilized *166 Direct Loan* and a *Research & Development Investment Loan*

Sources of Funds

\$ 1,500,000	R&D Loan
\$ 2,000,000	166 Direct Loan
\$ 7,500,000	Bank Financing
<u>\$ 2,000,000</u>	<u>Equity</u>
\$13,000,000	Total

Uses of Funds

\$3,500,000	Building & Renovation
\$ 800,000	Renovation Costs
\$7,800,000	M&E Costs
\$ 500,000	Site Preparation Costs
<u>\$ 400,000</u>	<u>FF&E</u>
\$13,000,000	Total

Loan details

- Term: 10 years
- Interest Rate: 2%
- Amortization: 9 years
- A first security interest in the high pressure processing machine (valuation \$3.5 million)

Project Summary

- Nature Fresh Farms is a Canadian based company that operates a 98-acre greenhouse devoted to tomatoes and peppers
- The project involved the construction of a 15-acre greenhouse facility designed to grow 10 million pounds of tomatoes annually in Delta, Ohio
- Total Phase I investment is \$21,300,000
- New jobs: 153
- Utilized *JobsOhio Growth Fund Loan*

Sources of Funds

\$11,700,000	Bank Financing
\$ 2,500,000	JO Growth Fund Loan
\$ 7,100,000	Equity/Subordinated Debt
\$21,300,000	Total

Uses of Funds

\$21,300,000	Greenhouse Construction
\$21,300,000	Total

Loan Details

- Term: 15 years
- Interest Rate: 1% years 1-5 and 3% years 6-16
- Amortization: 15 years
- A shared first security on the project assets
- Limited personal guarantee

Project summary

- Shearer's Foods is a manufacturer and distributor of snacks
- Project involved a total investment of \$19,450,000 in M&E
- Loan proceeds will be used to assist with the expansion of a wastewater treatment facility dedicated to the company
- Stark County Port Authority will be the borrower
- Retained jobs: 331
- New jobs: 90
- Utilized *Ohio Water Development Authority*

Sources of Funds

\$3,826,000	OWDA
\$3,826,000	Total

Uses of Funds

\$3,826,000	Waste Water Plant Expansion
\$3,826,000	Total

Loan details:

- Term: 15 years
- Interest Rate: 3%
- Amortization: 15 years
- OWDA Loan to guaranteed by Shearer's Foods
- Repayment of the loan will be via a surcharge on the company's wastewater treatment bill



QUESTIONS?



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