

April 30, 2025

To: Mayor and Members of City Council

202500924

From: Sheryl M.M. Long, City Manager

**Subject: Emergency Ordinance – Job Creation Tax Credit Agreement
with Waites Sensor Technologies, Inc.**

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the execution of a Job Creation Tax Credit Agreement with Waites Sensor Technologies, Inc., a Delaware corporation, pursuant to which the company agrees to create 48 new jobs at 1045 W. 8th Street in the Queensgate neighborhood of Cincinnati and, for a period of seven years, the City agrees to provide an income tax credit equal to forty percent of City income tax revenue from such new jobs.

STATEMENT

COMMERCIAL/INDUSTRIAL: Incentivizing the relocation and expansion of this company will strengthen our economic performance by providing job opportunities and generating income tax revenue to deliver excellent services to residents.

COMPANY INFORMATION

Waites Sensor Technologies, Inc. (the “Company”) offers condition monitoring systems for equipment in mining, automotive, food, and lumber industries to minimize downtime, extend equipment lifespan, increase production hours, and reduce scheduled maintenance. The Company is led by Co-Founder and CEO Rob Ratterman.

CURRENT CONDITIONS

The Company previously maintained its corporate headquarters and secondary location in Covington, Kentucky, but chose to pursue alternative locations within Southwest Ohio and Northern Kentucky to consolidate and expand operations. As part of its business attraction efforts, DCED provided the Company with a conditional incentive offer via a letter dated September 18, 2024.

JobsOhio recommended and the Ohio Tax Credit Authority approved a 1.388% 7-year State JCTC for the Project at its December 2024 meeting.

After further due diligence, the Company decided to relocate and consolidate operations to 1045 West Eighth Street, located in the Queensgate neighborhood of Cincinnati, where it will invest \$1.1 million in improvements.

The Company has relocated or created 53 full-time equivalent jobs with an associated payroll of \$5,053,476. Following this relocation, the Company will create an additional 48 full-time equivalent jobs with an associated payroll of \$4,254,577 within 3 years for a total of 101 full-time equivalent jobs and \$9,308,053 in associated payroll. These jobs include managers, analysts, engineers, system installers, sales agents, and customer support specialists. By extending this incentive, the City will ensure that the Company will be able to grow locally.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance to allow the Project and the corresponding revitalization of the City of Cincinnati and improvement of the City's economic welfare to begin at the earliest possible time.

Attachment: Project Outline and Proposed Incentive

Copy: Markiea L. Carter, Director, Department of Community & Economic Development

Project Outline

Project Name	Waites Sensor Technologies, Inc.
Street Address	1045 West Eighth Street
Neighborhood	Queensgate
Property Condition	Existing Office
Project Type	Relocation and Expansion
Project Cost	Fixed Asset Improvements: \$1.1 million
Jobs and Payroll	<p>Prior to the Determination Date of December 1, 2024:</p> <ul style="list-style-type: none"> - 53 FTE jobs with \$5,053,476 in payroll <p>After the Determination Date of December 1, 2024:</p> <ul style="list-style-type: none"> - 48 FTE jobs with \$4,254,577 in payroll <p>Total:</p> <ul style="list-style-type: none"> - 101 FTE jobs with \$9,308,053 in payroll

Project Image and Site Map



Proposed Incentive

Incentive Type	Job Creation Tax Credit – Non-Reimbursable
Incentive Terms	<p>Credit Period Term: 7 years</p> <p>Employee Retention Period: 3 years</p> <p>Credit Amount: 40%</p> <p>Estimated Term Incentive Value: \$214,431</p>

Public Benefit**Tax Credits Provided to Company**

Jobs Retained - Tax Credit	
# of Jobs Retained (FTE)	53
Total Annual Payroll for Retained Jobs	\$5,053,476
Annual City Earnings Tax Credit from Retained Jobs	\$0
Jobs Created - Tax Credit	
# of Jobs Created (FTE)	48
Total Annual Payroll for New Jobs	\$4,254,577
Annual City Earnings Tax Credit From New Jobs	\$30,633
Tax Credit Calculations	
Retained City Earnings Tax Credit over Term	\$0
New City Earnings Tax Credit over Term	\$214,431
Total City Earnings Tax Credit over Term	\$214,431
Tax Calculation Factors	
Tax Credit for Retained Jobs	0.0%
Tax Credit for New Jobs	40.0%
Length of the Incentive Credit (Years)	7
Retention Period after Incentive Credit (Years)	3
Total Term of the Incentive (Credit Term + Retention Term)	10
City Earnings Tax Rate	1.8%

JCTC-R/JCTC/PIR Offer

Total City Earnings Tax Generated over Term	\$1,675,450
Estimated Annual Net Profit Tax Due to City over Term	\$0
Less PIR/JCTC-R Payments/Credits to Company	(\$214,431)
Total Net Earnings Taxes Over Term	\$1,461,019

Incentive Leverage (Taxes Received/Incentives Given)	\$6.81
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