

April 23, 2025

To: Mayor and Members of City Council

202500826

From: Sheryl M.M. Long, City Manager

Subject: Emergency Ordinance – Job Creation Tax Credit Agreement with Prospiant, Inc.

Attached is an Emergency Ordinance captioned:

APPROVING AND AUTHORIZING the execution of a Job Creation Tax Credit Agreement with Prospiant, Inc., pursuant to which the company agrees to create 120 new jobs at 7108 Shona Drive in the Roselawn neighborhood of Cincinnati and, for a period of eight years, the City agrees to provide an income tax credit equal to forty percent of City income tax revenue from such new jobs.

STATEMENT

MANUFACTURING: The additional jobs created by this expansion project strongly align with the City's goal to spur economic growth and expand available job opportunities for residents in the manufacturing sector.

COMPANY BACKGROUND/CURRENT CONDITIONS

Established in 2021 following the merger of Rough Brothers, Inc., ThermoEnergy Solutions, Inc. and Nexus Greenhouse Systems, Prospiant, Inc. is a manufacturer specializing in the design, construction, engineering, and maintenance of commercial greenhouses and indoor grow operations. They offer a wide range of services to a variety of clients in the agricultural and indoor grow sector. Prospiant is a subsidiary of Gibraltar Industries, a leading provider of products and services in the renewable energy, residential, agricultural technology, and infrastructure markets based out of Buffalo, New York.

The company is currently located in the Village of St. Bernard and is operating out of a scattered-site facility. They are seeking to relocate to a more optimized facility and centralize their operation. Prospiant currently employs 110 FTEs and is looking to add an additional 10 FTEs upon relocating to a more optimal facility. They have considered several sites throughout the United States and Canada for this relocation.

The company has identified a facility that meets their needs located at 7108 Shona Drive in the Roselawn neighborhood. With the City's assistance, Prospiant will commit to acquiring the property and relocating their manufacturing facility to the City of Cincinnati.

RECOMMENDATION

The Administration recommends approval of this Emergency Ordinance.

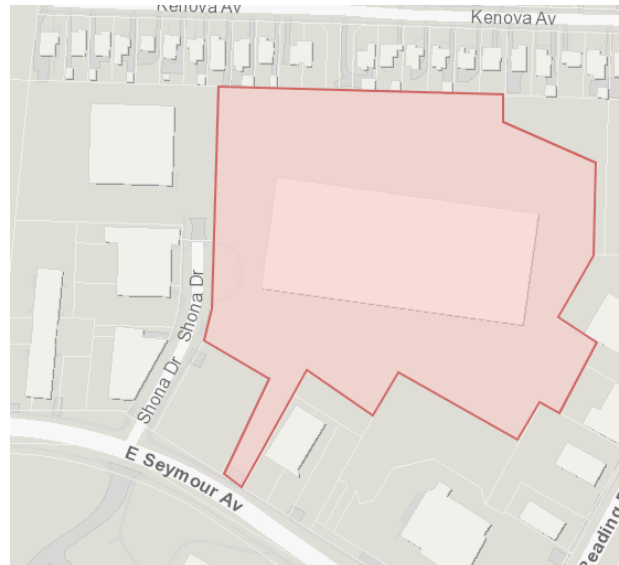
Attachment: Project Outline and Proposed Incentive

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

Project Outline

Project Name	Prospiant, Inc. Relocation
Street Address	7108 Shona Drive
Neighborhood	Roselawn
Property Condition	Existing Manufacturing Facility
Project Type	Relocation
Project Cost	Acquisition: \$13,350,000 Machinery & Equipment: \$350,000 Furniture, Fixtures & Equipment: \$250,000 Leasehold Improvements: \$750,000 Total Expenditures: \$16,278,892
Jobs and Payroll	Created FTE Positions: 120 Total Payroll for Created FTE Positions: \$11,290,000 Average Salary for Created FTE Positions: \$94,083

Project Image and Site Map



Proposed Incentive

Incentive Type	Job Creation Tax Credit
Incentive Terms	<u>Credit Period Term:</u> 8 years <u>Hiring “Ramp Up” Period:</u> first 2 years of the Credit Period <u>Credit Amount:</u> 40% of gross new income tax revenue generated by the project annually <u>Estimated Term Incentive Value:</u> \$650,304 <u>Employee Retention Period:</u> 8 years after the expiration of the Credit Period

Public Benefit

Tax Credits Provided to Company		
Jobs Retained - Tax Credit		
# of Jobs Retained (FTE)		0
Total Annual Payroll for Retained Jobs		\$0
Annual City Earnings Tax Credit from Retained Jobs		\$0
Jobs Created - Tax Credit		
# of Jobs Created (FTE)		120
Total Annual Payroll for New Jobs		\$11,290,000
Annual City Earnings Tax Credit From New Jobs		\$81,288
Tax Credit Calculations		
Retained City Earnings Tax Credit over Term		\$0
New City Earnings Tax Credit over Term		\$650,304
Total City Earnings Tax Credit over Term		\$650,304
Tax Calculation Factors		
Tax Credit for Retained Jobs		0.0%
Tax Credit for New Jobs		40.0%
Length of the Incentive Credit (Years)		8
Retention Period after Incentive Credit (Years)		8
Total Term of the Incentive (Credit Term + Retention Term)		16
City Earnings Tax Rate		1.8%
JCTC-R/JCTC/PIR Offer		
Total City Earnings Tax Generated over Term		\$3,251,520
Estimated Annual Net Profit Tax Due to City over Term		\$0
Less PIR/JCTC-R Payments/Credits to Company		(\$650,304)
Total Net Earnings Taxes Over Term		\$2,601,216
Incentive Leverage (Taxes Received/Incentives Given)		\$4.00