

January 24, 2012

JobsOhio set to pay state \$1.4 billion for rights to liquor profits

By Joe Vardon

Parameters of a long-awaited deal between the state and Gov. John Kasich's privatized development agency emerged yesterday, with JobsOhio paying the state \$1.4 billion for the rights to Ohio's liquor profits for the next 25 years.

Although the deal is not finalized, Kasich is closer than ever to making JobsOhio the state's economic-development engine for the foreseeable future.

Republican lawmakers gave Kasich the authority to lease Ohio's liquor profits to JobsOhio with passage of the state budget in June, and the private agency has since begun to supplant the Department of Development as the state's vehicle for attracting businesses, convincing ones in Ohio to stay, and promoting the state's business climate.

JobsOhio will sell long-term bonds backed by future liquor profits to pay the \$1.4 billion.

In the coming days and weeks, Kasich probably will win approval on several fronts to beef up JobsOhio, retain control of the state's liquor merchandising business and dismantle and reshape the Department of Development.

Story continued here: <http://www.dispatch.com/content/stories/local/2012/01/24/jobsohio-set-to-pay-state-1-4b-for-rights-to-liquor-profits.html>

January 24, 2012

Liquor profit set to shift to JobsOhio

Firm to pay \$1.4B upfront; monies to become private

By Jim Provance

COLUMBUS — Ohio's new private economic-development corporation will pay a lump sum of \$1.4 billion, plus a potential share of future profits, to lease the state's wholesale liquor monopoly for 25 years.

As a result, much of the future profits from the sale of liquor, expected to be about \$100 million a year after debt obligations and expenses, would provide the lifeblood for the nonprofit JobsOhio's job-creation efforts.

Through it all, the state promises that consumers will see no difference in the operation of the lucrative liquor enterprise as the Department of Commerce continues to operate the system under contract with JobsOhio.

Complicated contract agreements announced Monday will require state approval of any financial incentive offered to businesses from public funds. But the liquor profits, once sold to JobsOhio, no longer would be considered public. The economic development corporation would not have to spell out how it uses those monies beyond an annual report.

Story continued here: <http://www.toledoblade.com/news/2012/01/24/Liquor-profit-set-to-shift-to-JobsOhio.html>

January 24, 2012

Liquor, DOD to be under JobsOhio umbrella

By Marc Kovac

COLUMBUS -- A lawmaker panel is set to sign off on contracts that will enable a new private nonprofit to take control of state-run economic development programs.

The paperwork also includes the transfer of the state's lucrative liquor operations to JobsOhio, providing funding for incentives and related business-boosting programs over the next 25 years.

And additional legislation, to be introduced by lawmakers in coming weeks, will solidify the group as the state's go-to organization for building and retaining jobs.

Gov. John Kasich and other members of his administration touted the setup Monday as groundbreaking.

"I would predict that this model that we are creating in the state of Ohio is one that's going to be studied across the country and, if we do it right, it will be one that will be envied," Kasich told reporters.

Mark Kvamme, longtime Kasich friend, jobs adviser and JobsOhio head, added, "I want this to be a framework that in 25 years is something that is truly unique to the state of Ohio, that gives us an advantage that no other state has."

Story continued here: <http://www.the-daily-record.com/news/article/5149811>

THE PLAIN DEALER

January 23, 2012

Gov. John Kasich's private jobs agency to control Ohio liquor profits

By Reginald Fields

COLUMBUS, Ohio - Gov. John Kasich is shifting control of profits from Ohio's lucrative wholesale liquor operation to his privately run job creation agency.

The in-house deal calls for the non-profit group -- JobsOhio -- to pay the state \$1.4 billion up front, money it will raise from the sale of bonds backed by future liquor sales. In turn, JobsOhio will use liquor proceeds -- which totaled a record \$794 million in 2011 -- for the next 25 years for its operating expenses.

It is a risky transaction unlike any other across the country but if done right, could make Ohio a trailblazer as states continue to look for creative ways to spur job growth.

"This model that we are creating in the state of Ohio is one that's going to be studied across the country," the Republican governor said on Monday. "If we do it right, it will be one that will be envied."

Story continued here: http://www.cleveland.com/open/index.ssf/2012/01/ohios_liquor_profits_to_be_con.html

January 23, 2012

Ohio to Get \$1.4 Billion From Development Agency's Bond Sale

By Mark Niquette

A nonprofit organization created to keep and attract jobs will lease Ohio (STOOH1)'s liquor-distribution enterprise using \$1.4 billion from long-term bonds backed by its profits, said Tim Keen, the state budget director.

The state is transferring its wholesale liquor enterprise for 25 years to JobsOhio, a private, nonprofit entity the Legislature brought into being last year at the behest of Republican Governor John Kasich. Ohio doesn't have government-run liquor stores; it buys and distributes alcohol to retailers.

"This model that we are creating in the state of Ohio is one that's going to be studied across the country," Kasich said during a conference call with reporters today. "If we do it right, it will be one that will be envied."

Liquor profits averaged \$221.9 million annually from fiscal 2008 to 2010, the Ohio Department of Commerce has said. The state projects about \$100 million will be available each year for job creation and retention after debt service on new bonds, said Mark Kvamme, JobsOhio's interim chief investment officer. That would be larger than similar arrangements in Michigan, Kentucky and California, and would be one of the biggest such dedicated funding sources in the U.S., the International Economic Development Council in Washington said last year.

Story continued here: <http://www.bloomberg.com/news/2012-01-23/ohio-will-use-1-4-billion-from-revenue-bond-sale-for-development-agency.html>



January 23, 2012

Ohio gov outlines private jobs agency's next moves

By Associated Press

COLUMBUS, Ohio (AP) — Ohio officials have agreed to transfer rights for 25 years to Ohio's lucrative wholesale liquor business to the state's new private job-creation entity, JobsOhio, in a deal worth \$1.4 billion.

Ohio Gov. John Kasich announced the deal during a teleconference with reporters Monday, as part of a package of changes he says are needed to bring his economic development vision to life. He was joined by JobsOhio investment chief Mark Kvamme, and the state directors of budget, commerce and development.

Kasich said the panel of business experts comprising JobsOhio has already begun showing results.

"They've made some real progress in terms of renewing economic development in Ohio," the governor said.

Under the transfer agreement struck by the state budget and commerce departments, JobsOhio will issue bonds backed by future liquor profits, pay the state a lump sum and ongoing annual payments, and use proceeds from each year's liquor sales to fund incentives for businesses to relocate to or retain jobs in Ohio. State liquor profits totaled \$247 million last year, and sales have been growing.

Kvamme said the bond sale will take place during the first quarter.

Patrons of state liquor stores shouldn't notice a difference, said state Commerce Director David Goodman.

Under a contract up for approval Monday, the state will be paid by JobsOhio to continue its existing role buying and distributing liquor to private retailers. The Division of Liquor Control will also retain its regulatory role.

Story continues here: <http://www.herald-dispatch.com/news/briefs/x193386679/Ohio-gov-outlines-private-jobs-agency-s-next-moves>