

**FACT SHEET**  
**SEPTEMBER 2010**  
**LIO ENERGY SYSTEMS HOLDINGS (US) LLC**

**I. STATEMENT OF PURPOSE – Job Creation**

The Department of Development recommends an Enterprise Zone Incentive of 75% for 10 years with Lio Energy Systems (US) LLC (also known as Lio (US)), I P of A Columbus Works 1-32 LLC, the Gearhart Development Corporation and Cordell Funding, LLLP; a Jobs Creation Tax Credit of 65% for 12 years and a Jobs Growth Incentive of 35% for 8 years for Lio Energy Systems Holdings (US) LLC for the purpose of creating 1,000 new full-time permanent jobs within the City of Columbus.

**II. PROJECT HISTORY**

Lio Energy Systems Holdings (US) LLC is a global joint venture with Lishen Power Battery and CODA Automotive. The global joint venture was created and announced in 2009. Lishen, is a leading global supplier of consumer cells and batteries for cell-phones, laptop computers and E- bikes. CODA Automotive Inc. is a privately held American company headquartered in Santa Monica, California that designs, manufactures and sells electric vehicles as well as lithium-ion battery systems built for transportation and utility applications. Lio US provides supplies to companies such as Samsung, Motorola and Apple. Lio US will produce automotive grade lithium ion cells to make 34 kWh battery packets with advanced thermal management and battery management electronics. The battery systems will be produced primarily for use in the CODA all electric sedan. CODA's first vehicle, the CODA Sedan, is a four door, five passenger battery electric vehicle with a range of up to 120 miles per charge. The vehicle is scheduled for delivery in the fourth quarter of 2010. Lio Energy Systems currently operates a manufacturing facility in Tianjin, China.

Lio (US) has identified 6200 E. Broad Street as a potential site for the production facility. The company plans to modify the existing facility and lease over 900,000 square feet at the project completion. With this project, the company will invest a total of \$657 million. This cost includes capital improvements engineering integration, hiring expense and contingency. The project plan also includes the creation of 1,000 new permanent full-time jobs.

LIO (US) is requesting, from the City of Columbus, an Enterprise Zone Incentive, a Jobs Creation Tax Credit and a Jobs Growth Incentive to assist in the development of this project.

### III. PROJECT INVESTMENT

Improvements to building	\$94,500,000
Machinery & Equipment	\$462,000,000
Furniture & Fixtures	\$4,700,000(included in improvements)
Inventory	\$38,900,000 (excluded from project cost)
Engineering Integration	\$60,900,000
Hiring Cost	\$2,600,000
Contingency Budget(6%)	\$37,200,000
<b>TOTAL INVESTMENT</b>	<b>\$657,000,000</b>

### IV. DECISION & TIMING

The project's real property improvements will begin the second quarter of 2011 and be completed by the third quarter of 2013, contingent upon Columbus City Council approval of the recommended tax incentives.

### V. EMPLOYMENT

Lio (US) will create 1,000 new full-time positions with an annual payroll of approximately \$36.8 million.

Position	Number of New Jobs	Hourly Rate	Annual Salary	Total Estimated Payroll for New Jobs
Cell manufacturing staff	797	\$17.89	\$34,710	\$27,663,870
Pack manufacturing staff	87	\$17.89	\$34,710	\$3,019,770
Cell supervisory staff	80	\$22.39	\$43,400	\$3,472,000
Pack supervisory staff	8	\$22.39	\$43,400	\$347,000
SG&A Employees	12	\$50.16	\$97,300	\$1,167,600
R&D Engineers	16	\$38.31	\$74,300	\$1,188,800
<b>TOTAL</b>	<b>1,000</b>			<b>\$36,859,040</b>

Benefits provided to employees of Lio (US) include:

- Paid Holidays
- Paid Vacation/Personal Days
- 401 K Retirement Plan
- Employee Discounts
- Medical/Dental Insurance
- Training and Education Benefits
- Employee Uniforms
- Disability Pay
- Vacation Pay

The proposed project site is located at 6200 E. Broad Street, Columbus, Ohio 43213 and is accessible by public transportation (COTA).

## VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends a 75%/10-year Enterprise Zone Incentive for Lio (US), I P of A Columbus Works 1-32 LLC, the Gearhart Development Corporation and Cordell Funding, LLLP; a 65% 12 year Jobs Creation Tax Credit and a 35%/8 year Jobs Growth Incentive to Lio (US) if Columbus City Council approves the proposed tax incentives.

## VII. NEW TAX IMPACT/ANNUAL AND 12-YEAR SUMMARY

Unabated Revenue	Average Annual	12-Year Summary
A. Corporate Franchise Tax	\$599,625	\$7,195,500
B. Income Tax Revenue	\$922,500	\$11,070,000
C. Real Property Tax(10yrs)	\$3,047,531	\$30,475,310
D. Total Unabated Tax Impact (A+B+C)	\$4,569,656	\$48,740,810

Abatement Impact	Average Annual	12-Year Summary
E. Proposed 65%/12 year JCTC Credit	\$599,625	\$7,195,500
F. Proposed 35%/8 year Jobs Growth Incentive * Based on 8 years	*\$322,875	*\$2,583,000
G. Enterprise Zone Incentive (75%/10)	\$2,285,647	\$22,856,470
H. Total Revenue D-(,E, F,G)	\$1,361,509	\$15,682,509

School District Impact Gahanna City School District	Average Annual	12-year Summary
I. Existing School District Revenue from Real Property at site	\$283,000	\$3,396,000

J. New Revenue as a Result of the Proposed Project	\$108,000	\$1,296,000
K. Total School District Revenue	\$391,000	\$4,692,000

**VIII. WORKFORCE DEVELOPMENT**

Employers granted a tax incentive will meet with the Central Ohio Workforce Investment Corporation to develop a relationship to assure continuing employment opportunities for Columbus residents who are unemployed or underemployed.

**IX. TAX BENEFIT**

The recommended 75%/10-year Enterprise Zone Incentive, the 65%/12 year Jobs Creation Tax Credit and the 35%/8 year Jobs Growth Incentive could yield a tax savings of \$32.6 million for Lio (US) over the incentive period. The Gahanna-Jefferson Schools will receive an additional \$1.2 million over the life of the incentive.

**X. AREA IMPACT/GREEN INITIATIVES**

No residential or commercial displacement will occur as a result of this project. As a Green initiative, the project itself is a green initiative, and will accelerate the adoption of electric vehicles in the United States. Once completed, it is estimated that the total number of battery systems produced for electric vehicles will displace 110 million barrels of oil and prevent 12 million tons of greenhouse gases (GHGs) from entering the atmosphere. The facility and company will pursue additional green initiatives such as achieving LEED certification for its building, implementing recycling programs, and others.