

Journal News

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Quaker working with port authority to consolidate, expand in Middletown

By Chris Dumond
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MIDDLETOWN — Quaker Chemical Corp. officials met with city officials this week to talk about incentives in the consolidation of its North American manufacturing operations here.

Quaker could add 60,000 square feet to its existing Yankee Road operation, as well as 45 new workers making an average of \$50,000 a year in salary and benefits.

Middletown Economic Development Director Bill Murphy said Quaker is seeking tax breaks through the city's enterprise zone designation.

Beyond tax incentives, the company is also seeking improvements to Yankee Road that could be paid for through

Ohio Department of Development programs. Murphy said Middletown has proposed widening Yankee to five lanes to Oxford State Road as well, as the replacing the Dick's Creek bridge with the help of the Butler County Engineer's Office.

Craig Bush, Quaker's director of corporate development, said the company is working closely with the Butler County Port Authority on a legally and financially complex financing agreement for the project.

Under the agreement, the authority would take the title to the Quaker facilities, then finance the expansion by issuing as much as \$50 million in bonds. The bonds would then be paid back by Quaker's lease of the facilities.

The deal would allow Quaker

to keep the debt off its books while the authority would gain financing charges.

Port authority Secretary John Fonner said some preliminary paperwork is ready, but the groups have hired a nationally known expert on the lease-back transactions to help them.

"I think the attorneys and accountants have probably decimated a couple forests now in draft documents," Fonner said.

At the same time, Bush said, Quaker's engineers are preparing a cost estimate for the project that must be approved by the company's directors. If there are no problems or delays, he said, that approval could come early in the fourth quarter of this year.

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