

**FACT SHEET  
SEPTEMBER 2015  
MIDDLE WEST SPIRITS, LLC**

**I. STATEMENT OF PURPOSE – JOB CREATION**

The Department of Development recommends a Jobs Growth Incentive of twenty-five percent (25%) for a period of up to five (5) years in consideration of an investment of approximately \$2,965,000 related to leasehold improvements, the acquisition of furniture and fixtures, machinery and equipment, stand-alone computers, the retention of 5 full-time permanent positions, and the creation of 25 new full-time permanent positions.

**II. PROJECT HISTORY**

Co-owners Brady Konya and Ryan Lang founded Middle West Spirits in 2008 and opened the distillery for commercial production in 2010. Located in the historic Short North Arts District, Middle West Spirits, LLC is an established micro-distillery producing small batch craft spirits, vinegars, and syrups under the OYO brand (pronounced “oh-why-oh”). Middle West Spirits, LLC currently distributes its products in 14 states plus the District of Columbia.

Prompted by an increase in demand for its lines of whiskey, vodka and bourbon, Middle West Spirits, LLC is proposing to relocate back office operations from 1230 Courtland Ave., Columbus, Ohio 43201 and lease, renovate, and equip approximately 23,000 square feet of existing office and warehouse space located at 470 E. Starr Ave., Columbus, Ohio 43201, in the nearby Milo-Grogan neighborhood, in order to expand distilling operations at their Short North location.

The expansion and renovation of the company’s existing Short North distilling and retail operations at 1230 Courtland Ave. will include a complete renovation of the structure – expected to add more than 40 feet of height to the 18 foot-high structure. The overhaul will include the installation of new higher-capacity distilling and grain handling equipment, construction of a full-service tasting room, bottle shop, and façade improvements.

The Milo-Grogan site, 470 E. Starr Ave., will warehouse aging spirits, bottling operations, finished goods management, and expanded back office support. This site will include approximately 2,500 square feet of office space to support sales, marketing, finance, accounting, and production staff.

In total, the company will invest approximately \$2,965,000 related to leasehold improvements, the acquisition of furniture and fixtures, machinery and equipment, stand-alone computers, the retention of 5 full-time permanent positions, and the creation of 25 new full-time permanent positions.

Middle West Spirits, LLC is requesting a Jobs Growth Incentive from the City of Columbus to assist in the expansion of operations.

**III. PROJECT INVESTMENT**

| <b>INVESTMENT TYPE</b>             | <b>PROPOSED VALUE</b> |
|------------------------------------|-----------------------|
| IMPROVEMENTS TO EXISTING BUILDINGS | \$125,000             |
| MACHINERY & EQUIPMENT              | \$1,600,000           |
| FURNITURE & FIXTURES               | \$250,000             |
| STAND-ALONE COMPUTERS              | \$65,000              |
| LEASEHOLD IMPROVEMENTS ONLY        | \$925,000             |
| <b>TOTAL INVESTMENT</b>            | <b>\$2,965,000</b>    |

**IV. DECISION & TIMING**

The projects are expected to begin as soon as September, 2015 with an anticipated completion of April, 2016 pending Columbus City Council approval of the recommended tax incentive.

**V. EMPLOYMENT**

The projects will retain 5 full-time permanent positions with an annual payroll of approximately \$280,000 and create 25 new full-time permanent positions with a new annual payroll of approximately \$957,500.

**Short North**

*(1230 Courtland Ave., Columbus, Ohio 43201)*

| <b>Position Title</b>  | <b>Number of New Jobs</b> | <b>Average Hourly Rate</b> | <b>Average Annual Salary</b> | <b>Total Estimated Payroll for New Positions</b> |
|------------------------|---------------------------|----------------------------|------------------------------|--|
| Production Staff       | 3                         | \$19.23                    | \$40,000.00                  | \$120,000.00                                     |
| Kitchen Staff (1)      | 1                         | \$28.85                    | \$60,000.00                  | \$60,000.00                                      |
| Kitchen Staff (2)      | 1                         | \$16.83                    | \$35,000.00                  | \$35,000.00                                      |
| Kitchen Staff (3)      | 1                         | \$14.42                    | \$30,000.00                  | \$30,000.00                                      |
| Tasting Room Staff (1) | 1                         | \$24.04                    | \$50,000.00                  | \$50,000.00                                      |
| Tasting Room Staff (2) | 1                         | \$21.63                    | \$45,000.00                  | \$45,000.00                                      |
| Tasting Room Staff (3) | 2                         | \$14.42                    | \$30,000.00                  | \$60,000.00                                      |
| <b>TOTAL</b>           | <b>10</b>                 |                            |                              | <b>\$400,000.00</b>                              |

**Milo-Grogan**

(470 E. Starr Ave., Columbus, Ohio 43201)

| <b>Position Title</b> | <b>Number of New Jobs</b> | <b>Average Hourly Rate</b> | <b>Average Annual Salary</b> | <b>Total Estimated Payroll for New Positions</b> |
|-----------------------|---------------------------|----------------------------|------------------------------|--|
| Sales                 | 3                         | \$24.04                    | \$50,000.00                  | \$150,000.00                                     |
| Marketing             | 3                         | \$18.03                    | \$37,500.00                  | \$112,500.00                                     |
| Office                | 2                         | \$19.23                    | \$40,000.00                  | \$80,000.00                                      |
| Finance               | 1                         | \$16.83                    | \$35,000.00                  | \$35,000.00                                      |
| Warehouse             | 6                         | \$14.42                    | \$30,000.00                  | \$180,000.00                                     |
| <b>TOTAL</b>          | <b>15</b>                 |                            |                              | <b>\$557,500.00</b>                              |

Middle West Spirits, LLC offers their full-time employees the following benefits:

- Paid holidays
- Paid vacation/personal days
- Vacation pay
- Annual bonus (after six months of employment)
- Employee uniforms
- Employee discounts
- Training & education benefits
- Healthcare reimbursement accounts (after six months of employment)
- Paid gym membership

Both of the proposed project sites have access to nearby public transportation (Central Ohio Transit Authority).

**VI. REQUESTED PUBLIC PARTICIPATION**

The Department of Development recommends a Jobs Growth Incentive equal to twenty-five percent (25%) of the amount of new employee city income tax withholding for a term of up to five (5) years.

**VII. WORKFORCE DEVELOPMENT**

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

**VIII. NEW TAX IMPACT**

| <b>NEW REVENUE SUMMARY</b>   |                       |                       |
|--|-----------------------|-----------------------|
| <b>Revenue</b>   | <b>Average Annual</b> | <b>5-year Summary</b> |
| A. New City Income Tax Revenue   | \$23,937              | \$119,685             |
| <b>Incentive</b>   | <b>Average Annual</b> | <b>5-year Summary</b> |
| B. Proposed Incentive is equal to twenty-five percent (25%) of New Employee withholdings | \$5,984               | \$29,920              |
| <b>Total</b>   | <b>Average Annual</b> | <b>5-year Summary</b> |
| C. Net Value to City<br>(i.e., A. - B.)  | \$17,953              | \$89,765              |

**IX. TAX BENEFIT**

The recommended Jobs Growth Incentive could yield cash payments totaling approximately \$29,920 for Middle West Spirits, LLC over the incentive term of up to five (5) years.

**X. AREA IMPACT/GREEN INITIATIVES**

Planned investments to the Courtland Ave. and E. Starr Ave. sites will include significant upgrades in building-wide energy efficient LED lighting, the use of transparent building materials to reduce daytime electricity, and improvements to HVAC efficiency.