

**FACT SHEET  
OCTOBER 2014  
COLUMBUS STEEL CASTINGS CO.  
DBA COLUMBUS CASTINGS AND ONESOURCE EMPLOYEE MANAGEMENT, LLC**

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

The Department of Development recommends a Job Creation Tax Credit of sixty-five percent (65%) for a period of seven (7) years for the purpose of creating new employment opportunity for the citizens of the City of Columbus.

**II. PROJECT HISTORY**

Columbus Castings is the largest single site steel foundry in North America and one of five such foundries in the United States. The company manufactures steel castings for freight and passenger rail cars, locomotives, mining equipment, industrial magnets, construction equipment and heavy industrial industries. The company is the largest manufacturer located within the City of Columbus dating its roots back to 1881 when the Murray-Hayden Foundry, a small iron foundry, served a growing agricultural based economy. It was located at the corner of Scioto & Broad Streets on Columbus' near west side.

The business flourished when it began manufacturing iron couplers for an infant rail industry and in 1891, the name was changed to the Buckeye Automatic Car Coupler Company. As the American rail industry expanded, the appetite for iron couplers grew and in 1894, the operation was relocated to a larger facility on Russell Street. The name was changed to the Buckeye Malleable Iron and Coupler Company to reflect its new emphasis on iron couplers. The American rail industry growth boomed through the early 1900's, the demand for iron couplers soon exceeded capacity, and the business moved to the present day location on Parsons Avenue in 1902.

Today, the company is owned by Protostar Partners, LLC, a private equity firm out of New York, which purchased Columbus Steel Castings in 2008 after the company went through several ownership and leadership conversions, and renamed it Columbus Castings.

OneSource Employee Management, LLC is a professional employer organization (PEO) and provides a litany of human resource services to a variety of clients. OneSource Employee Management, LLC is, and will continue to be, the employer of record for Columbus Castings.

Columbus Castings is proposing to invest approximately \$16 million, which includes machinery, equipment, and real property improvements, to implement its three-year expansion plan of its steel foundry manufacturing facility. In addition, Columbus Castings is proposing to create 550 new full-time permanent positions with an estimated annual payroll of approximately \$15.8 million and retain 616 full-time jobs with an estimated annual payroll of \$24.7 million.

Columbus Castings and OneSource Employee Management, LLC are requesting from the City of Columbus, a Job Creation Tax Credit to assist in the development of this project.

### III. PROJECT INVESTMENT

Improvements to existing buildings	\$1,000,000
Machinery & Equipment	\$15,000,000
<b>TOTAL INVESTMENT</b>	<b>\$16,000,000</b>

### IV. DECISION & TIMING

The project is scheduled to begin in January 2015 with a scheduled time of completion for December 2017, contingent upon Columbus City Council approval of the recommended tax incentive.

### V. EMPLOYMENT

The project will create 550 new full-time permanent positions with an estimated annual payroll of \$15.8 million and retain 616 full-time jobs with an annual payroll of approximately \$24.7 million.

Position	Number of New Jobs	Hourly Rate	Annual Salary	Total Estimated Payroll for New Jobs
Supervisor	33	\$20.19	\$42,000	\$1,386,000
Manufacturing Engineer	6	\$26.44	\$55,000	\$330,000
EPA Techs	2	\$21.63	\$45,000	\$90,000
Foundry Engineers	3	\$26.44	\$55,000	\$165,000
Purchasing Agents	1	\$15.50	\$32,240	\$32,240
Customer Service Reps	3	\$16.00	\$33,280	\$99,840
Product Engineer	4	\$25.00	\$52,000	\$208,000
Administrative Assistant	4	\$15.00	\$31,200	\$124,800
Accounting Clerks	2	\$18.75	\$39,000	\$78,000
Chippers/Grinders/Operators	492	\$13.00	\$27,040	\$13,303,680
<b>TOTAL</b>	<b>550</b>			<b>\$15,817,560</b>

Benefits provided to new employees of Columbus Castings via OneSource Employee Management, LLC begin within 30 days upon hiring for salary employees and 90 days for hourly employees.

- Paid Holidays
- Vacation Pay
- Severance Policy
- Disability Pay
- Paid Vacation/Personal Days
- 401K Retirement Plan
- Medical/Dental Insurance
- Employee Uniforms

The proposed project site is located at 2211 Parsons Avenue Columbus, Ohio 43207 and is accessible by public transportation (COTA).

**VI. REQUESTED PUBLIC PARTICIPATION**

The Department of Development recommends a 65%/7-year Job Creation Tax Credit to Columbus Castings if Columbus City Council approves the proposed amended tax incentive.

**VII. NEW TAX IMPACT/ANNUAL AND 7-YEAR SUMMARY**

Unabated Revenue	Average Annual	7-Year Summary
A. Income Tax Revenue from new employees	\$395,439	\$2,768,073

Abatement Impact	Average Annual	7-Year Summary
B. Projected 65%/7-year JCTC Credit	\$257,035	\$1,799,245
C. (A-B) Net Value to City	\$138,404	\$968,828

**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 65%7-year Job Creation Tax Credit incentive could yield a tax savings of approximately \$1.79 million for Columbus Castings and their employer of record, OneSource Employee Management, LLC over the incentive period.

**X. AREA IMPACT/GREEN INITIATIVES**

Columbus Castings uses sand in the casting molds and cores. Once used, the sand is transported to a landfill for disposal, which sand is the primary waste product of steel foundry. Rather than shipping to the landfills, the company will sift and clean spent foundry sand to be either reused at its operation, sold to other foundries, or sold to the fracking industry, reducing the amount of waste dumped into our landfills.