

**FACT SHEET
JANUARY 2013
THE KROGER CO.**

I. STATEMENT OF PURPOSE – Job Creation & Retention

The Department of Development recommends a Jobs Growth Incentive of twenty-five percent (25%) for a period of five (5) years for the purpose of creating 23 new permanent full-time positions with an estimated annual payroll of \$1.47 million and retaining 103 full-time employees.

II. PROJECT HISTORY

Headquartered in downtown Cincinnati, Ohio, The Kroger Co. is an American retailer founded by Bernard Kroger in 1883. With nearly 2,500 stores in 31 states under two dozen banners and annual sales of more than \$70 billion, Kroger ranks as one of the nation's largest retailers. The Kroger Co. also operates 40 food processing facilities that make thousands of products ranging from bread, cookies and milk to soda pop, ice cream and peanut butter. Nearly half of the 14,400 private-label items found in the company's stores today are made at one of these manufacturing plants. With dozens of manufacturing facilities and distribution centers around the country, Kroger also has one of the largest privately owned truck fleets in the country. Additionally, Kroger has three Central Fill Pharmacy prescription medicine locations across the United States: Southern Kentucky, Colorado, and Columbus, Ohio.

The Kroger Co. is proposing to relocate and expand its Columbus Central Fill Pharmacy facility by acquiring a vacant commercial warehouse consisting of 35,000 sq. ft. with the plan of expanding another 10,000 sq. ft. to meet its increased growth and its consumer demand. This new Central Fill Pharmacy facility will distribute prescription medicine to over 400 Kroger stores and potentially third parties. The company will invest approximately \$14.7 million, which includes acquisition, improvements, furniture and fixtures. The company will retain 103 full-time jobs and create approximately 23 new full-time permanent positions with an estimated annual payroll of \$1.47 million.

The Kroger Company is requesting a 25%/5-year Jobs Growth Incentive from the City of Columbus to assist in the expansion of its Central Fill facility.

III. PROJECT INVESTMENT

Acquisition of buildings	\$1,200,000
Improvements to Existing Buildings	\$1,400,000
Furniture & Fixtures	\$12,100,000
TOTAL INVESTMENT	\$14,700,000

IV. DECISION & TIMING

The project would begin in January 2013 with a scheduled time of completion for December 2013, contingent upon City Council approval of the recommended tax incentive.

V. EMPLOYMENT

The project will create 23 new full-time permanent positions with an estimated annual payroll of \$1.47 million and retain 103 full-time jobs with an annual payroll of approximately \$3.67 million.

Position	Number of New Jobs	Hourly Rate	Annual Salary	Total Estimated Payroll for New Jobs
Pharmacist	9	\$57.69	\$120,000	\$1,080,000
Technicians	14	\$13.46	\$28,000	\$392,000
Total	23			\$1,472,000

Total payroll (retained and new) to Columbus will be approximately \$5.14 million

Benefits provided to new employees of The Kroger Co. begins 30 days after hiring.

- Paid Holidays
- Vacation Pay
- Annual Bonus
- Severance Policy
- Disability Pay
- Pension Profit Sharing Plan
- Paid Vacation/Personal Days
- 401k Retirement Plan
- Medical/Dental Insurance
- Employee Discounts
- Training & Education Benefits

The proposed project will be located at 2270 W. Rickenbacker Parkway Columbus, Ohio 43217 and is accessible by public transportation (COTA).

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 five (5) years.

VII. WORKFORCE DEVELOPMENT

Employers granted a tax incentive will meet with the Central Ohio Workforce Investment Corporation (COWIC) within 90 days to develop a relationship to assure continuing employment opportunities for Columbus residents who are unemployed or underemployed.

VIII. NEW TAX IMPACT/ANNUAL AND 5-YEAR SUMMARY

NEW REVENUE 5-YEAR SUMMARY		
Revenue	Average Annual	5-year Summary
A. New City Income Tax Revenue	\$36,800	\$184,000
Incentive	Average Annual	5-year Summary
B. Proposed Incentive is equal to 25% of New Employee withholding	\$9,200	\$46,000
Total	Average Annual	5-year Summary
C. (A-B) Net Value to City	\$27,600	\$138,000

IX. TAX BENEFIT

The recommended 25%/5-year Jobs Growth Incentive could yield cash payments totaling \$46,000 for The Kroger Co. over the incentive period.

X. AREA IMPACT/GREEN INITIATIVES

The Kroger Co. has a Sustainability Division responsible for all green initiatives.