

FACT SHEET
FEBRUARY, 2011
MOMENTIVE SPECIALTY CHEMICALS, INC.

I. STATEMENT OF PURPOSE – Job Creation

The Department of Development recommends a Downtown Office Incentive of fifty percent (50%) for a period of eight (8) years for the purposes of retaining 243 jobs and creating 89 new permanent full-time positions, with an estimated payroll of \$39.7 million.

II. PROJECT HISTORY

Momentive (formerly Hexion Specialty Chemicals, Inc.) is headquartered in downtown Columbus at 180 E. Broad St., where it leases seven floors of office space. The company is the largest thermosetting resins maker in the world. Thermosets improve product qualities such as: adhesion, gloss, heat resistance, etc., to many paints and adhesive products. Momentive merged with Momentive Performance Materials at the end of 2010 through an acquisition by Apollo Advisors LP. The merger will create one of the world's largest specialty chemical companies with annualized sales of approximately \$7.5 million and 10,000 employees. This merger resulted in the change of name for Hexion Specialty Chemicals, Inc. to Momentive. As a result of the merger, synergies can be created through the consolidation of corporate office functions and the scope of the project has been increased.

Momentive received a 50%/8 year Downtown Office Incentive from the City of Columbus to assist in the expansion of its corporate headquarters.

III. PROJECT INVESTMENT

Momentive will make an additional investment in leasehold improvements of \$1.36 million. The start date of the incentive will change from calendar year 2006 to calendar year 2011. Total payroll will be approximately \$39.7 million by year end 2013.

Leasehold Improvements	\$ 560,000
Furniture & Fixtures	\$ 800,000
TOTAL INVESTMENT	\$1,360,000

IV. DECISION & TIMING

The project would begin in March 2011 with a scheduled time of completion for April 2011, contingent upon Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

The project will create 89 new full-time positions with an annual payroll of \$8.9 million and retain 243 full-time positions with an annual payroll of \$30.8 million.

Position	Number of New Jobs	Hourly Rate	Annual Salary	Total Estimated Payroll for New Jobs
Procurement, Finance	29	\$48.08	\$100,000	\$2,900,000
HR, Marketing	29	\$48.08	\$100,000	\$2,900,000
Commercial Support	31	\$48.08	\$100,000	\$3,100,000
TOTAL	89			\$8,900,000

The project will create 89 new full-time permanent positions with a payroll of approximately \$ 8.9 million.

Total payroll to the City of Columbus will be approximately \$39.7 million.

Benefits provided to new employees of Momentive begin upon hiring and includes:

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

The proposed project will be located at 180 E. Broad Street and is accessible by public transportation (COTA).

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommended a Downtown Office Incentive equal to fifty (50%) of the amount of new employee city income tax withholding for eight (8) 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 8 YEAR SUMMARY

NEW REVENUE 8-YEAR SUMMARY		
Revenue	Average Annual	8-year Summary
A. New City Income Tax Revenue	\$222,500	\$1,780,000
Incentive	Average Annual	8-year Summary
B. Proposed Incentive is equal to 50% of New Employee withholding	\$111,250	\$890,000
Total	Average Annual	8-year Summary
C. (A-B) Net Value to City	\$111,250	\$890,000

IX. TAX BENEFIT

The recommended 50%/8-year Downtown Office Incentive could yield cash payments totaling \$890,000 for Momentive over the incentive period.

X. AREA IMPACT/GREEN INITIATIVES

No residential or commercial displacement will occur as a result of this project. As a green initiative, Momentive will strive to use environmentally friendly materials wherever available, for example, recycling and energy efficient programs.