

# **FACT SHEET**

## **V&S COLUMBUS GALVANIZING LLC, VOIGT & SCHWEITZER LLC AND HILL & SMITH, INC.**

**FEBRUARY, 2012**

### **I. STATEMENT OF PURPOSE – Enterprise Zone**

The Department of Development recommends an Enterprise Zone Tax Abatement of Seventy-Five Percent (75%) for a period of ten (10) years on real property improvements for the purpose of constructing and equipping a new facility, job creation and retention.

### **II. PROJECT HISTORY**

The operations' existing site at 1000 Buckeye Park Road holds three separate entities that include: V&S Columbus Galvanizing LLC (V&S) – (galvanizing operation), Voigt & Schweitzer LLC (new operation involved in production of concrete barriers) and Hill & Smith, Inc. (Corporate Headquarters). V&S began operations in Germany in 1893 and today operates over 30 galvanizing plants in the United States and Europe (with 6 galvanizing locations in the U.S.) V&S has been involved in many projects - large and small - where hot dip galvanizing was the corrosion protection method of choice for major highways, professional sports stadiums, bridges, architectural buildings, railing, fasteners and the like.

V&S, Voigt & Schweitzer LLC and Hill & Smith, Inc. are proposing to construct a brand new facility directly across the street from its existing south side facility on Buckeye Park Rd. The project will also involve the acquisition of machinery, equipment, furniture and fixtures. A total capital investment of \$10 million is proposed at the site, with \$6.4 million toward building construction and \$3.6 million for equipping the facility to meet the needs of all three entities. A total of 4 new full-time positions will be created as a result of the project and 74 full-time jobs will be retained (55 from V&S, 7 from Hill & Smith, Inc. and 12 from Voigt & Schweitzer LLC). The new site will allow for greater efficiencies in the workflow of the galvanizing process.

V&S, Voigt & Schweitzer LLC and Hill & Smith, Inc. are requesting an Enterprise Zone Tax Abatement of 75% for ten (10) years to assist in the development of this project.

### III. PROJECT INVESTMENT

<b>BUILDING CONSTRUCTION</b>	\$6,400,000
<b>MACHINERY &amp; EQUIPMENT</b>	3,540,000
<b>FURNITURE &amp; FIXTURES</b>	60,000
<b>TOTAL INVESTMENT</b>	\$10,000,000

### IV. DECISION & TIMING

The building improvement project is expected to begin April, 2012 with a scheduled time of completion for January, 2013, contingent upon Columbus City Council approval of the recommended tax incentive.

### V. EMPLOYMENT

V&S, Voigt & Schweitzer LLC and Hill & Smith, Inc. will construct a new facility, retain 74 full-time employees with an annual payroll of \$ 4.37 million and create 4 new full-time permanent positions with an annual payroll of \$120,000. The total annual payroll to Columbus (new and retained) will be approximately \$4.49 million.

<b>Position</b>	<b>New Jobs</b>	<b>Hourly Rate</b>	<b>Average Annual Pay</b>	<b>Total Estimated Salary</b>
Galvanizing Personnel	4	\$14.42	\$30,000	\$120,000
<b>Grand Total</b>				\$120,000

- Paid Holidays
- Paid Vacation/Personal Days
- Vacation Pay
- 401K Retirement Plan
- Medical/Dental Insurance

Benefits begin at the start of employment.

### VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends a 75%/10-year Enterprise Zone Abatement on real property improvements for the purpose of constructing a new facility on Buckeye Park Road.

## 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. The company must meet with COWIC within 90 days of passage of the legislation.

## VIII. NEW TAX IMPACT: 10-YEAR SUMMARY

<b>Unabated Revenue</b>	<b>Average Annual</b>	<b>10-year Summary</b>
A. Real Property Tax Revenue	223,686	2,236,860
B. New City Income Tax Revenue	3,000	30,000
C. Total Unabated Tax Revenue	226,686	2,266,860
<b>Abatement Impact</b>	<b>Average Annual</b>	<b>10-year Summary</b>
D. Total Proposed Tax Abatement 75%/10-yr on Real Property	167,764	1,677,640
E. Total Revenue Net of Tax Abatement (i.e., C-D)	58,922	589,220
<b>School District Impact Columbus-Hilliard City School District</b>	<b>Average Annual</b>	<b>10-year Summary</b>
F. Existing School District Revenue from Real Property at site	4,189	41,899
G. New Revenue as a Result of the Proposed Project	42,478	424,780
H. Total School District Revenue	46,667	466,679

## IX. TAX BENEFIT

The recommended 75%/10-year Enterprise Zone Abatement could yield a tax savings of approximately \$1.67 million for V&S, Voigt & Schweitzer, LLC and Hill & Smith, Inc. over the term of the abatement. The Columbus City Schools will receive an additional \$424,780 over the term of the abatement.

## **X. AREA IMPACT/GREEN INITIATIVES**

The company is environmentally responsible and recycles unused products whenever possible.