

FACT SHEET
JUNE 2014
THE CRIMSON CUP, INC.

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 job creation and retention of an emerging business located in the Southeast business corridor.

II. PROJECT HISTORY

The Crimson Cup, Inc. (Crimson Cup) roasts, manufactures and distributes specialty coffee blends. The company was founded in 1991 by Greg Ubert, President. With a modest investment from his parents and a couple of friends, Greg rented a small 1200 sq. ft. office and purchased a small blue coffee roaster. He began experimenting; Colombian beans with African, Mexican beans with Sumatran. When he finally had a few blends he felt good about, he started selling to Columbus businesses and coffeehouses. The business name “Crimson Cup,” was derived from the ripe red berry of the coffee tree and in honor of Harvard’s official color, crimson, which is Greg’s alma mater. Today, Crimson Cup distributes coffee, tea, sauces, syrups, equipment and other coffee house related items to its customers across 28 states.

Crimson Cup is proposing to invest approximately \$1.15 million, which includes acquisition cost, real property improvements, machinery, equipment, furniture and fixtures, to expand and renovate its corporate headquarters including its R&D training facility at 700 Alum Creek Drive. In addition, the company is proposing to acquire a vacant commercial property located at 1925 Alum Creek Drive to relocate and expand its manufacturing operation. Crimson Cup will create 20 new full-time permanent positions between both project sites with an estimated annual payroll of approximately \$1.05 million and retain 17 full-time jobs with an annual payroll of approximately \$981,000.

The Crimson Cup, Inc. is requesting a 25%/5-year Jobs Growth Incentive from the City of Columbus to assist with this project.

III. PROJECT INVESTMENT

Acquisition of buildings	\$500,000
Additions/new construction	\$175,000
Improvements to Existing Buildings	\$250,000
Machinery & Equipment	\$209,500
Furniture & Fixture	\$25,000
TOTAL INVESTMENT	\$1,159,500

IV. DECISION & TIMING

The project would begin in June 2014 with a scheduled time of completion for August 2014, contingent upon City Council approval of the recommended tax incentive.

V. EMPLOYMENT

The project will create 20 new full-time permanent positions with an estimated annual payroll of approximately \$1.05 million and retain 17 full-time positions with an annual payroll of approximately \$981,000.

Position	Number of New Jobs	Hourly Rate	Annual Salary	Total Estimated Payroll for New Jobs
Sales Leader	4	\$36.06	\$75,000	\$300,000
Customer Growth Rep	4	\$24.04	\$50,000	\$200,000
Sales Director	1	\$60.10	\$125,000	\$125,000
Finance Director	1	\$48.08	\$100,000	\$100,000
Delivery/Shipping/Packaging	4	\$14.42	\$30,000	\$120,000
Coffee Technician	2	\$16.83	\$35,000	\$70,000
Customer Service	2	\$14.42	\$30,000	\$60,000
Coffee Roaster	1	\$19.23	\$40,000	\$40,000
Accounts Payable	1	\$16.83	\$35,000	\$35,000
Total	20			\$1,050,000

Total payroll new (new and retained) to Columbus will be approximately \$2.03 million.

Benefits provided to new employees of The Crimson Cup, Inc. begins 30 days after hiring.

- Paid Holidays
- Vacation Pay
- Paid Vacation/Person Days
- 401K Retirement Plan
- Medical/Dental Insurance
- Training & Education Benefits

The proposed project will be located at two different sites: 700 and 1925 Alum Creek Drive Columbus, Ohio 43205 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	\$26,250	\$131,250
Incentive	Average Annual	5-year Summary
B. Proposed Incentive is equal to 25% of New Employee withholding	\$6,562	\$32,810
Total	Average Annual	5-year Summary
C. (A-B) Net Value to City	\$19,688	\$98,440

IX. TAX BENEFIT

The recommended 25%/5-year Jobs Growth Incentive could yield cash payments totaling \$32,810 for Crimson Cup over the incentive period.

X. AREA IMPACT/GREEN INITIATIVES

Although Crimson Cup does not have a formalized green initiative plan, the company continuously evaluates methods to eliminate waste, which includes recycling.