

**FACT SHEET
JULY, 2012**

**MSC INDUSTRIAL DIRECT CO., INC., SID TOOL
CO., INC. AND MSC CONTRACT MANAGEMENT**

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 eight (8) years for the construction and equipping of a facility by MSC Industrial Direct Co., Inc. and its subsidiaries.

II. PROJECT HISTORY

MSC Industrial Direct Co., Inc. and its subsidiaries are one of the largest direct marketers and distributors in the United States. The company distributes its broad range of metalworking, maintenance, repair and operational supplies to industrial customers throughout the US. MSC Industrial Direct Co., Inc. employs one of the largest sales forces in the industry – distributing nearly 600,000 industrial products from approximately 3,000 suppliers to 325,000 customers. Customers are reached through a combination of 107 branch sales offices, 1,101 sales people, close to 18 million direct-mail catalogs, the Internet and numerous B2B eCommerce portals.

The project involves the new construction of a 400,000 sq. ft. regional distribution center on Alkire Road for subsidiary Sid Tool Co., Inc. The company will invest \$55.5 million in new building construction, machinery, equipment, furniture and fixtures. A total of 300 permanent full-time positions will be created as a result of the project over a five year period. MSC Contract Management provides employee management services for the company operations.

The State of Ohio has offered a sixty-five percent (65%), eight (8) year Job Creation Tax Credit to MSC Industrial Direct Co., Inc. and its subsidiaries.

III. PROJECT INVESTMENT

| | |
|---------------------------|---------------------|
| New Building Construction | \$27,500,000 |
| Machinery & Equipment | \$26,700,000 |
| Furniture & Fixtures | \$ 1,300,000 |
| TOTAL INVESTMENT | \$55,500,000 |

IV. DECISION & TIMING

The project is scheduled to begin December, 2012 with a scheduled time of completion of March, 2014 contingent upon Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

The project will create 300 new full-time permanent positions within five years with an annual payroll of \$8.3 million.

| Position | Number of New Jobs | Hourly Rate | Annual Salary | Total Estimated Payroll for New Jobs |
|---|--------------------|-------------|---------------|--------------------------------------|
| Distribution Center Associates | 280 | \$12.02 | \$25,000 | \$7,000,000 |
| Supervisors, Managers, Safety, Engineers, Quality Assurance | 20 | \$31.25 | \$65,000 | \$1,500,000 |
| | | | | |
| TOTAL | 300 | | | \$8,300,000 |

Benefits provided to employees of MSC Industrial Direct Co., Inc. and its subsidiaries include:

- Paid Holidays
- Paid Vacation/Personal Days
- Vacation Pay
- 401K Retirement Plan
- Medical/Dental Insurance
- Annual Bonus
- Employee Discounts
- Training & Education Benefits

Benefits begin within ninety (90) days of hire.

The project is located on parcel number 570-154767 on Alkire Road within the Columbus-Southwestern School District.

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends a Job Creation Tax Credit Incentive equal to sixty-five (65%) of the amount of new employees city income tax withholding for eight (8) years.

VII. NEW TAX IMPACT/ANNUAL AND 8-YEAR SUMMARY

| Revenue | Average Annual | 8-year Summary |
|---|-----------------------|-----------------------|
| A. New City Income Tax Revenue | \$207,500 | \$1,660,000 |
| Incentive | Average Annual | 8-year Summary |
| B. Proposed Incentive is equal to 65% of New Employee Withholding | 134,875 | \$1,079,000 |
| Net Value | Average Annual | 8-year Summary |
| C. Net Value to City (A-B) | \$72,625 | \$581,000 |

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%/8-year Job Creation Tax Credit could yield a tax credit of approximately \$1 million over the eight year term.

X. AREA IMPACT/GREEN INITIATIVES

The company is formalizing its recycling plan.