

**FACT SHEET
JULY, 2012**

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

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 and creating new full-time permanent jobs.

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.

MSC Industrial Direct Co., Inc. and its subsidiaries and related members are requesting an Enterprise Zone Tax Abatement of 75% for ten (10) years to assist in the development of this project.

III. PROJECT INVESTMENT

BUILDING CONSTRUCTION	\$27,500,000
MACHINERY & EQUIPMENT	\$26,700,000
FURNITURE & FIXTURES	\$ 1,300,000
TOTAL INVESTMENT	\$55,500,000

IV. DECISION & TIMING

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

V. EMPLOYMENT

MSC Industrial Direct Co., Inc. and its subsidiaries and related members will construct and equip a new facility and create 300 new full-time permanent positions with an annual payroll of \$8.3 million.

Position	New Jobs	Hourly Rate	Average Annual Pay	Total Estimated Salary
Distribution Center Associates	280	\$12.02	\$25,000	\$7,000,000
Supervisors, Managers, Safety, Engineers, Quality Assurance	20	\$31.25	\$65,000	\$1,300,000
Grand Total	300			\$8,300,000

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

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 Alkire 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

Unabated Revenue	Average Annual	10-year Summary
A. Real Property Tax Revenue	775,989	7,759,890
B. New City Income Tax Revenue	207,500	2,075,000
C. Total Unabated Tax Revenue	983,489	9,834,890
Abatement Impact	Average Annual	10-year Summary
D. Total Proposed Tax Abatement 75%/10-ysr on Real Property	581,991	5,819,910
E. Total Revenue Net of Tax Abatement (i.e., C-D)	401,498	4,014,980
School District Impact Columbus-Hilliard City School District	Average Annual	10-year Summary
F. Existing School District Revenue from Real Property at site	1,952	19,520
G. New Revenue as a Result of the Proposed Project	141,307	1,413,070
H. Total School District Revenue	143,259	1,432,590

IX. TAX BENEFIT

The recommended 75%/10-year Enterprise Zone Abatement could yield a tax savings of approximately \$5.8million for MSC Industrial Direct Co., Inc. and its subsidiaries and related members over the term of the abatement. The Columbus City Schools will receive an additional \$1.4 million over the term of the abatement.

X. AREA IMPACT/GREEN INITIATIVES

The company is in the process of formalizing its recycling efforts.