

**FACT SHEET  
DECEMBER, 2012  
INTERNATIONAL BUSINESS MACHINES  
CORPORATION**

**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 six (6) years for the purpose of creating 500 new full-time permanent positions and retaining 671 existing positions.

**II. PROJECT HISTORY**

International Business Machines Corporation (IBM) was founded in 1911 through the merger of three separate companies. The company is a multinational consulting and technology corporation headquartered in New York. IBM manufactures and markets computer hardware and software, along with offering consulting, hosting and infrastructure services. The company does business in 180 countries, has 12 research laboratories worldwide and for 19 consecutive years, has held the record for most patents generated by a company.

The project involves the creation of a worldwide business analytics and software development center. The Center for Advanced Analytics will operate in 30,000 s.f. of additional leased space within the company's current site at 4600 Lakehurst Court. A total investment of \$3.2 million will be made for building improvements, machinery, equipment, furniture and fixtures. IBM will create 500 new full-time permanent positions and retain 671 employees.

The State of Ohio has offered a sixty percent (60%), eight (8) year Job Creation Tax Credit to IBM.

**III. PROJECT INVESTMENT**

Machinery & Equipment	\$ 100,000
Furniture & Fixtures	\$ 500,000
Stand-Alone Computers	\$1,000,000
Improvements to Existing Buildings	\$1,600,000
<b>TOTAL INVESTMENT</b>	<b>\$3,200,000</b>

## IV. DECISION & TIMING

The project is scheduled to begin December, 2012 with a scheduled time of completion of March, 2013 contingent upon Columbus City Council approval of the recommended tax incentive.

## V. EMPLOYMENT

The project will create 500 new full-time permanent positions with an annual payroll of \$45.9 million and retain 671 full-time positions with an annual payroll of \$69.8 million.

Position	Number of New Jobs	Hourly Rate	Annual Salary	Total Estimated Payroll for New Jobs
Consultant	29	\$33.65	\$ 70,000	\$ 2,030,000
Senior Consultant	57	\$38.46	\$ 80,000	\$ 4,560,000
Managing Consultant	123	\$52.88	\$110,000	\$13,530,000
Sr. Managing Consultant	63	\$67.30	\$140,000	\$ 8,820,000
Associate Partner	29	\$96.15	\$200,000	\$ 5,800,000
Partner	7	\$168.26	\$350,000	\$ 2,450,000
Data Specialist – AMS	29	\$19.23	\$ 40,000	\$ 1,160,000
Sr. Data Specialist – AMS	64	\$23.07	\$ 48,000	\$ 3,072,000
Consultant	14	\$12.01	\$ 25,000	\$ 350,000
Senior Consultant	13	\$14.42	\$ 30,000	\$ 390,000
Managing Consultant	11	\$16.82	\$ 35,000	\$ 385,000
Sr. Managing Consultant	11	\$21.63	\$ 45,000	\$ 495,000
Consultant	13	\$24.03	\$ 50,000	\$ 650,000
Senior Consultant	13	\$26.44	\$ 55,000	\$ 715,000
Managing Consultant	13	\$28.84	\$ 60,000	\$ 780,000
Sr. Managing Consultant	11	\$31.25	\$ 65,000	\$ 715,000
<b>TOTAL</b>	<b>500</b>			<b>\$45,902,000</b>

IBM offers its full-time employees the following benefits after hire:

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

Most benefits begin immediately upon starting employment.

## **VI. REQUESTED PUBLIC PARTICIPATION**

The Department of Development recommends a Job Creation Tax Credit Incentive equal to sixty-five percent (65%) of the amount of new employees city income tax withholding for six (6) years.

## **VII. NEW TAX IMPACT/ANNUAL AND 6-YEAR SUMMARY**

<b>Revenue</b>	<b>Average Annual</b>	<b>6-year Summary</b>
A. New City Income Tax Revenue	\$1,147,550	\$6,885,300
<b>Incentive</b>	<b>Average Annual</b>	<b>6-year Summary</b>
B. Proposed Incentive is equal to 65% of New Employee Withholding	\$ 745,907	\$4,475,442
<b>Net Value</b>	<b>Average Annual</b>	<b>6-year Summary</b>
C. Net Value to City (A-B)	\$ 401,643	\$2,409,858

## **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 sixty-five percent (65%)/six (6) year Job Creation Tax Credit could yield a tax credit of approximately \$4.4 million over the six year term.

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

The company has an active recycling program that includes recycling; water and power conservation; and preservation of natural habitat.