

**FACT SHEET  
MIDDLE WEST SPIRITS, LLC  
OCTOBER 2020**

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

The Department of Development recommends an Enterprise Zone Tax Abatement of seventy-five (75%) for a period of ten (10) consecutive years on real property improvements for the purpose of renovating a vacant industrial site and for creating new employment opportunities for the residents of the City of Columbus.

**II. PROJECT HISTORY**

Middle West Spirits, LLC (“MWS”) is Ohio’s award-winning craft distillery founded in 2008 by Brady Konya and Ryan Lang, respectively. The company has three operating locations in the Columbus area and produces small batch craft spirits including its flagship brand OYO product lines (pronounced “O-Why-O”) and Vim & Petal Dry Gin. MWS opened its’ distillery for commercial production and selling in June 2010. Recently, to help serve the community and combat the spread of COVID-19, in March 2020 MWS created a recipe and sought necessary approvals to produce hand sanitizer that has been distributed throughout the community.

MWS is proposing to invest a total project cost of approximately \$6,205,000, which includes approximately \$3,920,000 in acquisition cost, \$2,000,000 in real property improvements, and \$285,000 in machinery and equipment to redevelop a vacant industrial warehouse site for the purposes of relocating and expanding its office and warehouse operation. The proposed industrial site includes (parcel numbers 010-113456 and 010-112129, 1165 Alum Creek Dr. consisting of approximately 35,189 sq. ft.), a vacant lot parcel (parcel number 010-009409, 1185 Alum Creek Dr. consisting of .890 acre) and two vacant warehouses (parcel number 010-114985, 1195 Alum Creek Dr. consisting of approximately 17,044 sq. ft. and parcel number 010-099174, 1221 Alum Creek Dr. consisting of approximately 47,139 sq. ft.), Columbus, Ohio 43209, (collectively, and hereinafter referred to as the “**Project Site**”). MWS received notice from its current landowner stating their current lease on Starr Avenue will be terminating early, and the building is scheduled for demolition in March 2021 and they must vacate the premises. With this early lease termination, MWS is using this opportunity to expand its office and warehouse operation. The company will retain and relocate 14 full-time jobs with an annual payroll of approximately \$897,200 and create 13 net new full-time permanent positions with an estimated annual payroll of approximately \$668,000 at the proposed **Project Site**.

Middle West Spirits, LLC is requesting an Enterprise Zone Tax Abatement of seventy-five percent (75%) for a period of ten (10) consecutive years to assist in the relocation and expansion its’ company’s office and warehouse operation.

**I. PROJECT INVESTMENT**

INVESTMENT TYPE	PROPOSED VALUE
ACQUISITION OF BUILDINGS	\$3,920,000
ADDITIONS/NEW CONSTRUCTION	\$2,000,000
MACHINERY & EQUIPMENT	\$285,000
<b>TOTAL INVESTMENT</b>	<b>\$6,205,000</b>

**II. DECISION & TIMING**

Real property improvements are expected to begin as soon as November 2020 with a scheduled time of completion of December 2023, contingent upon Columbus City Council approval of the recommended tax incentive.

**III. EMPLOYMENT**

The project will create 13 net new full-time permanent office positions with a new estimated annual payroll of approximately \$668,000 and retain and relocate 14 full-time positions with an estimated annual payroll of approximately \$897,200.

Position Title	Number of New Jobs	Average Hourly Rate	Average Annual Salary	Total Estimated Payroll for New Positions
Accounting & Mgmt.	2	\$21.63	\$45,000	\$90,000
Sales & Marketing	7	\$29.81	\$62,000	\$434,000
Distribution & Logistics Ops.	4	\$17.31	\$36,000	\$144,000
<b>TOTALS</b>	<b>13</b>			<b>\$668,000</b>

The total new payroll to Columbus will be approximately \$668,000 and benefits on the new employees begin immediately for salaried and full-time hourly employees, which includes the following:

- Paid Holidays
- Vacation Pay
- Annual Bonus
- Disability Pay
- Paid Vacation/Personal Days
- Medical Insurance
- Dental Insurance
- Employee Discounts

**IV. REQUESTED PUBLIC PARTICIPATION**

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 purposes of renovating a vacant industrial site to relocate and expand MWS’s office and warehouse operation from Starr Avenue to 1165 – 1221 Alum Creek Drive, Columbus, Ohio 43209, parcel numbers 010-113456, 010-112129, 010-009409, 010-099174 and 010-114985.

**V. NEW TAX IMPACT: ANNUAL & 10-YEAR SUMMARY**

Unabated Revenue	Average Annual	10-year Summary	20-year Summary
A. Real Property Tax Revenue	\$57,652	\$576,520	\$1,153,040
B. New City Income Tax Revenue	\$16,700	\$167,000	\$334,000
C. Total Unabated Tax Revenue (i.e., A. + B.)	\$74,352	\$743,520	\$1,487,040

<b>Proposed Tax Abatement Impact</b>	<b>Average Annual</b>	<b>10-year Summary</b>	<b>20-year Summary</b>
D. Total Proposed Tax Abatement seventy-five percent (75%)/ten (10) Consecutive Years on Real Property Improvements	\$43,239	\$432,390	\$432,390
E. Total Unabated Property Tax Revenue ( <i>i.e.</i> , C.-D.)	\$31,113	\$311,130	\$1,054,650
<b>School District Impact: Columbus City Schools</b>	<b>Average Annual</b>	<b>10-year Summary</b>	<b>20-year Summary</b>
F. Existing School District Revenue from Real Property at site (pre abatement)	\$85,991	\$859,910	\$1,719,820
G. New Revenue as a Result of the Proposed Project (post abatement)	\$10,265	\$102,650	\$513,254
H. Total School District Revenue ( <i>i.e.</i> , F. + G.)	\$95,432	\$954,320	\$2,233,074

## VI. TAX BENEFIT

The recommended 75%/10-year Enterprise Zone property tax abatement could yield a tax savings of approximately **\$432,390** for MWS over the incentive term of ten (10) years.

Columbus City Schools are estimated to receive an additional \$102,650 over the term of the abatement and approximately **\$513,254** over a 20-year period, as a result of project.

The first ten years of total taxes for the Library, County, Township, Schools and City net of the abatement equals a total of approximately **\$144,130**.

100% for the next ten years is \$576,519, plus the **\$144,130** from the first ten years equals a **total for 20 years of approximately \$720,649**.

## VII. AREA IMPACT/GREEN INITIATIVES

MWS will strive to use environmentally friendly materials during the renovation process, which includes building-wide LED lighting, improvements in HVAC efficiency, and a comprehensive recycling program for its office and manufacturing operation.