

**FACT SHEET
JUNE 2018
PRIME EQUIPMENT**

I. STATEMENT OF PURPOSE – JOB CREATION

The Department of Development recommends a dual-rate Jobs Growth Incentive for a term of up to five (5) consecutive years in consideration of a total investment of approximately \$4,900,000, the retention of 105 full-time permanent positions, and the creation of 20 new full-time permanent positions.

II. PROJECT HISTORY

Prime Equipment Group, Inc. is a Columbus-based manufacturer of poultry processing equipment. Founded in 1992, Prime Equipment Group is a privately held company that was started, and is still run by, the Gasbarro family, which has owned and operated poultry plants and poultry-processing businesses for more than 65 years. Prime Equipment Group designs and builds stand-alone machines, as well as customized equipment systems and equipment from brand partners for processing plants all over the world. The company also offers helpful engineering assistance, hands-on field support, and a quality selection of spare and replacement parts for multiple industries in over 15 countries.

Prime Equipment Group, Inc., the operating company and employer of record, is proposing to relocate their operations from 2000 East Fulton Street, Columbus, Ohio 43205 to 2001 Courtright Road, Columbus, Ohio 43232 (“Project Site”) to proceed with an expansion of operations. As part of this expansion, Prime Property Group, LTD, a related entity, is expected to purchase the 228,935-square-foot building to house fabrication and administrative operations. Another related entity, Prime Leasing Group, LTD, is expected to equip and furnish the Project Site. All three entities collectively are hereinafter referred to as Prime Equipment.

In total, the project involves a total investment of approximately \$4,900,000 related to building acquisition, building improvements, and the acquisition of machinery and equipment. Prime Equipment Group, Inc. anticipates retaining 105 existing full-time permanent positions with an associated annual payroll of approximately \$5,556,907 and creating 20 new full-time permanent positions with an associated new annual payroll of approximately \$1,119,800.

Prime Equipment is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist in the relocation and expansion of operations in Columbus.

III. PROJECT INVESTMENT

INVESTMENT TYPE	PROPOSED VALUE
Acquisition of Buildings	\$3,900,000
Improvements to Existing Building	\$850,000
New Construction	\$150,000
TOTAL INVESTMENT	\$4,900,000

IV. DECISION & TIMING

Real property improvements are expected to begin as soon as July 2018 with a scheduled time of completion in December 2018, contingent upon Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

Prime Equipment Group, Inc. will retain 105 existing full-time permanent positions with an associated annual payroll of approximately \$5,556,907 and create 20 new full-time permanent positions with an associated new annual payroll of approximately \$1,119,800.

Position Title	Number of New Jobs	Average Hourly Rate	Average Annual Salary	Total Estimated Payroll for New Positions
Fabrication (<i>machinists, welders, and assemblers</i>)	10	\$24.03	\$50,000	\$500,000
Administrative	3	\$20.00	\$41,600	\$124,800
Supervisors	1	\$24.03	\$50,000	\$50,000
Engineers	3	\$31.25	\$65,000	\$195,000
Service Techs	2	\$36.05	\$75,000	\$150,000
Sales	1	\$48.07	\$100,000	\$100,000
TOTAL	20			\$1,119,800

The proposed project site is located at 2001 Courtright Road, Columbus, Ohio 43232 and is accessible by public transportation (Central Ohio Transit Authority).

Prime Equipment Group, Inc. offers their full-time employees the following benefits:

- Paid holidays
- Paid vacation/personal days
- Vacation pay
- 401(k) retirement plan
- Annual bonus
- Medical/dental insurance
- Severance policy

- Employee uniforms
- Disability pay
- Training & education benefits

VI. REQUESTED PUBLIC PARTICIPATION

The Department of Development recommends a dual-rate Jobs Growth Incentive in an amount equal to (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, both for a term of up to five (5) consecutive years.

If Prime Equipment is not able to sufficiently document residency for an employee associated with this project during a calendar year of the term of the agreement, the default rate of the Jobs Growth Incentive to be applied that calendar year for that new employee shall be twenty-five percent (25%).

VII. NEW TAX IMPACT AND ANNUAL SUMMARY

NEW REVENUE SUMMARY		
Revenue	Average Annual	5-year Summary
A. New City Income Tax Revenue	\$27,995	\$139,975
Incentive	Average Annual	5-year Summary
B. Proposed Incentive is equal to: (i) twenty-five percent (25%) of the City of Columbus income tax withheld on the Columbus payroll of new employees for a term of up to five (5) consecutive years; and (ii) thirty percent (30%) of the City of Columbus income tax withheld on the Columbus payroll of new employees, who are also City of Columbus residents at the end of each calendar year, for a term of up to five (5) consecutive years.	\$6,998.75 (at 25%) to \$8,398.50 (at 30%)	\$34,993.75 (at 25%) to \$41,992.50 (at 30%)
Total	Average Annual	5-year Summary
C. Net Value to City (i.e., A. - B.)	\$20,996.25 (at 25%) to \$19,596.50 (at 30%)	\$104,981.25 (at 25%) to \$97,982.50 (at 30%)

VIII. TAX BENEFIT

The recommended dual-rate Jobs Growth Incentive could yield cash payments totaling between approximately \$34,993.75 (at 25%) – \$41,992.50 (at 30%) for Prime Equipment Group, Inc., the employer of record, over the incentive term of up to five (5) consecutive years.

IX. AREA IMPACT/GREEN INITIATIVES

Prime Equipment recycles typical office paper waste, scrap metal and plastics, and has formed an internal committee to evaluate additional green initiatives.