

**FACT SHEET
APRIL 2019
TOTAL QUALITY LOGISTICS, LLC**

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 an investment of approximately \$725,000 and the creation of 60 net new full-time permanent positions.

II. PROJECT HISTORY

Total Quality Logistics, LLC is a third-party logistics (3PL) provider that was founded in 1997 by Ken Oaks in Cincinnati, Ohio. The company is the 2nd largest freight brokerage firm in North America by Transport Topics magazine, posting more than \$445 million in net revenue off gross revenues of \$2.2 billion. The company at first, focused on the transportation of produce, leveraging the experience and relationships that Ken Oaks gained while working for years as a buyer in the industry. As a 3PL provider of domestic freight transportation and logistics services, Total Quality Logistics, LLC connects customers with full truckload (TL) and less-than-truckload (LTL) services. The company has the ability to connect customers to their network of more than 65,000 carriers creating greater efficiency in transportation and keeps the economy moving. Total Quality Logistics, LLC arranges the movement of more than 1.5 million loads of freight each year. The company's sales topped \$2.9 billion and it employs more than 5,000 people in 57 offices nationwide.

Total Quality Logistics, LLC is proposing to invest a total project cost of approximately \$725,000 which includes \$325,000 leasehold in improvements, and \$400,000 in furniture and fixtures to expand its Columbus offices to accommodate its increased sales growth and strategic growth initiative. With this expansion, the company proposes to enter into a new separate lease agreement on vacant office space consisting of approximately 12,000 to 15,000 square feet at 585 S. Front Street, Columbus, Ohio 43215. Total Quality Logistics, LLC will maintain two locations, 585 S. Front Street and 640 S. Front Street, both sites are located in the Brewery District and are adjacent from one another; (collectively, and hereinafter referred to as the **"Project Site"**). Additionally, Total Quality Logistics, LLC will retain 161 full-time jobs with an annual payroll of approximately \$9.0 million and create 60 net new full-time permanent positions with a cumulative estimated annual payroll of approximately \$2.67 million at the Project Site.

Total Quality Logistics, LLC is requesting a dual-rate Jobs Growth Incentive from the City of Columbus to assist with this expansion project.

III. PROJECT INVESTMENT

INVESTMENT TYPE	PROPOSED VALUE
Leasehold Improvements	\$325,000
Furniture & Fixtures	\$400,000
TOTAL INVESTMENT	\$725,000

IV. DECISION & TIMING

The project is expected to begin as soon as May 2019 with an anticipated completion date of fall 2019, pending Columbus City Council approval of the recommended tax incentive.

V. EMPLOYMENT

The project is expected to create 60 net new full-time permanent positions with an estimated annual payroll of approximately \$2.67 million and retain 161 jobs with an annual payroll of approximately \$9.0 million at the proposed Project Site.

Position Title	# of New Jobs	Hourly Rate	Annual Salary	Total Estimated Payroll for New Jobs
Logistics Account Executive	60	\$21.39	\$44,500	\$2,670,000
Total	60			\$2,670,000

Total cumulative new payroll over the term of the Jobs Growth Incentive to Columbus will be approximately \$2.67 million.

Benefits provided to new employees begin 30 days from date of hire, which includes the following:

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

The proposed employee growth will include two project sites: 585 S. Front Street and 640 S. Front Street, Columbus, Ohio, 43215, parcel numbers 010-252423 and 010-004071, both sites are accessible by public transportation (COTA).

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 up to five (5) consecutive years.

Should Total Quality Logistics, LLC not be 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%).

VI. NEW TAX IMPACT

NEW REVENUE SUMMARY		
Revenue	Average Annual	5-year Summary
A. New City Income Tax Revenue	\$66,750	\$333,750
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 up to three (3) consecutive years; and	\$16,688 (at 25%)	\$83,440 (at 25%)
(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 up to three (3) consecutive years.	to \$20,025 (at 30%)	to \$100,125 (at 30%)
Total	Average Annual	5-year Summary
C. Net Value to City (i.e., A. - B.)	\$50,062 (at 25%) to \$46,725 (at 30%)	\$250,310 (at 25%) to \$233,625 (at 30%)

VII. TAX BENEFIT

The recommended dual-rate Jobs Growth Incentive could yield cash payments totaling between approximately \$83,440 (at 25%) – \$100,125 (at 30%) for Total Quality Logistics, LLC over the incentive term of up to five (5) consecutive years.

VIII. AREA IMPACT/GREEN INITIATIVES

Total Quality Logistics, LLC does not have a formalized green initiative plan, but the company continuously evaluates methods to eliminate waste, which includes recycling, i.e. paper and aluminum cans along with other paper products.